Austria ... Sch 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din 0.650	Italy ...... L 1100	S Arabia .. Rls 6.00
Belgium ... BFr 35	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 95
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka .. Rup 30
Denmark .. DKr 7.00	Lebanon .. £L6.00	Sweden . SKr 6.50
Egypt .... E£1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $65
France .. FFr 5.50	Mexico .. Pes 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. NKr 6.00	U.S.A. $1.50
India .... Rup 15	Philippines . Pes 20	

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D 8523 B

Six Euromarket deals set to make history, Pages 11, 12

NEWS SUMMARY

GENERAL

Pretoria troops push into Angola

South African troops have advanced up to 200km (125 miles) into southern Angola and clashed with Angolan and Cuban forces, according to South African Defence Force chief General Constand Viljoen.

Indications are that what was last week described as a limited offensive against the South-West Africa People's Organisation is now a big thrust on a wide front.

The South African case for the action is that an estimated 1,400 Swapo guerrillas have been planning to infiltrate northern Namibia during the rainy season, which began last month. Page 10

Top Soviet meeting

The Supreme Soviet meets in Moscow today for a two-day session on what ailing leader Yuri Andropov has implied will be ambitious growth targets and a drive to improve efficiency and productivity. He was too ill to attend the preceding Communist Party Central Committee meeting, Page 10; Background, Page 2.

Swedish blackout

An accidental explosion at an electricity station blacked out most of Sweden for 3½ hours, trapping underground trains and closing the Stockholm Stock Exchange early.

Ex-king appeals

Former King Zahir Shah of Afghanistan, exiled in Rome, appealed for all Afghan resistance groups to unite under his leadership, marking the fourth anniversary of the Soviet invasion. Internal dissent, Page 2

Reagan takes blame

President Ronald Reagan agreed that U.S. forces in Lebanon had been ill prepared to deal with terrorist attacks, and took full blame for the deaths of 241 marines killed in a truck-bomb explosion in October. Page 2

S. African rescue bids

At least four men died, 57 were injured, and on was missing after a rock fall at West Driefontein gold mine, near Johannesburg. Three days earlier, two men were killed at nearby Doornfontein, also owned by Gold Fields of South Africa, where rescue workers were still searching for three missing

Fake gold charges

Austrian and Swiss police arrested three Russian émigrés and charged them with peddling fake 100-crown gold pieces of the former Austro-Hungarian empire.

Pope visits Agca

Pope John Paul visited a Rome jail and spent 20 minutes talking with Mehmet Ali Agca, the Turk who shot him in 1981: As the Pope left, Agca knelt and kissed his hand.

Irish step up search

Ireland stepped up to nearly 1,000 the number of police and troops searching for the IRA gang that kidnapped Dublin businessman Don Tidey, having cut the squad to 200 over Christmas.

U.S. freeze eases

The big freeze in the U.S., which has caused more than 200 deaths, eased, but forecasters say it will soon return. Lake Erie icebreakers were out a month early. Florida growers were spared a third night of sub-zero temperatures and raced to harvest frozen fruit. Earlier story, Page 2

Australia ahead

Australia took a 2-1 lead over Sweden in the best-of-five Davis Cup tennis final at Kooyong when Mark Edmondson and Paul McNamee beat Anders Jarryd and Hans Simonsson 6-4, 6-4, 6-2.

BUSINESS

Flick may face $163m penalties

● **WEST GERMANY'S Flick** industrial group will almost certainly have to pay about DM 450m ($163m) in back taxes after an Economics Ministry investigation. Page 10

● **GOLD:** On the last contract day, the New York Comex December spot price closed at $380.70 ($382). The Zurich close was $377.5.

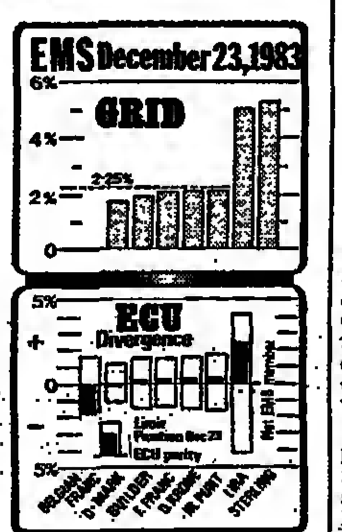
● **CURRENCIES:** London money market was closed. In New York, sterling closed at $1.435 and the dollar at DM 2.7492, FFr 8.42, SwFr 2.187 and Y233.7.

● **WALL STREET:** Dow Jones industrial average closed 13.21 up at 1,263.72. Full share prices, Pages 14-16. Report, Page 16

● **LONDON:** Exchange closed, holiday.

● **TOKYO:** Nikkei Dow index rose 37.37 to a record 9,883.94. Stock Exchange index rose 4.27 to 728.74. Page 16.

● **FRENCH,** Belgian, and Dutch bourses reached 1983 highs yesterday. Page 16



● **EUROPEAN** Monetary System trading slowed to a trickle last week before the Christmas break. Consequently, central banks did not intervene heavily in the foreign-exchange market as the dollar failed to improve from the previous week's record levels.

The Belgian franc remained the weakest currency and was placed outside its divergence limit. However, the absence of any real volume enabled the Belgian central bank to remain on the sidelines as there was little downward pressure on the currency.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

● **SWISS** Finance Ministry is to revise the country's complex SwFr 5.5bn ($2.5bn) subsidy system and its banking laws in 1984. Page 2

● **ROMANIA** is to reduce meat rations by 15 per cent and flour by 13 per cent because of lower production and the need to keep up exports. Page 2

● **YUGOSLAVIA** has introduced a six-month price freeze, but some service charges will go up.

● **ALBANIA** plans to increase production by 8.5 per cent in 1984.

● **SOUTH KOREA** has revised its economic strategy with a view to improving its balance of payments, forecast as a $1.6bn deficit this year, to a $400m surplus by 1986.

● **INDONESIA:** A coal deposit of an estimated 683m tonnes, worth some $11.3bn, has been found by Korean experts in the Pasir field in Kalimantan.

● **ALGERIA** is to receive a $128m World Bank loan to expand its telecommunications network.

BRITISH AND U.S. GROUPS DROP JOINT VENTURE

U.S. Steel unveils $1.2bn plan to reshape operations

BY CARLA RAPOPORT IN LONDON AND REUTER IN PITTSBURGH

U.S. Steel last night announced a sweeping rationalisation of its steel operations. The U.S. group and British Steel Corporation also disclosed that they would not proceed with their joint venture that would have linked the Fairless works in Pennsylvania with the Ravenscraig works in Scotland.

The U.S. Steel plan, which will cost the world's largest steel group $1.2bn before tax, involves heavy capacity cuts in its basic steelmaking operations.

U.S. Steel will close its South Works in Chicago and its special products facility at Johnstown, Pennsylvania. The Chicago closure means the cancellation of a plan to build a rail mill at South Works.

Mr David Roderick, U.S. Steel chairman, said in Pittsburgh that the plants were being closed because U.S. Steel could not be competitive in three product lines: bars, rods and wire products.

These products were the victims of subsidised foreign imports since the early 1970s and more recently the growth of non-integrated U.S. producers, or mini-mills, he said.

U.S. Steel plans to build continuous slab casters at Gary, Indiana, and Fairfield, Alabama. By 1986 U.S. Steel would have eight continuous casting plants capable of producing 9.2m short tons of steel annually.

Mr Roderick said that when the two casters were finished in 1986 U.S. Steel would be able to cast 55 per cent of its sheet products.

The steelmaking and flat rolled operation at the Fairfield, Alabama, works, idle for the past two years, will soon be restarted, bringing back about 3m tons of hot metal capacity and adding 1,600 jobs. Another 800 jobs are being created by a new pipe mill at Fairfield.

The shutdowns of the Chicago and Johnstown plants will affect about 3 per cent of the U.S. Steel employees now working. Closures are to be completed by April.

The Fairless-Ravenscraig discussions were ended for financial and economic reasons, Mr Roderick and Mr Bob Haslam, British Steel chairman, said.

The two companies have been talking for nearly 12 months on the proposed joint venture which would have involved shipping Ravenscraig's crude steel slabs to Fairless for processing. The deal was to have involved a payment from BSC of $400m to $600m in order to modernise the Fairless works.

Mr Haslam said that recent production improvements achieved by U.S. Steel had prompted the Americans to increase their terms at a time when BSC wanted to reduce its commitments.

The proposed link had also come

Continued on Page 10

Nakasone's new Cabinet balances party factions

BY JUREK MARTIN IN TOKYO

MR YASUHIRO NAKASONE, the Japanese Prime Minister, yesterday announced a Cabinet of mostly new faces after the recent general election and indicated that he would continue to pursue a pro-Western foreign policy.

Mr Nakasone said at his first press conference after naming his new Cabinet that he planned to send Mr Shintaro Abe, the Foreign Minister, to Washington next month for talks on bilateral trade and other problems.

Mr Nakasone said Mr Abe and Mr Noboru Takeshita, the Finance Minister, who were the only ministers to retain their portfolios, had been kept on to demonstrate continuity in Japan's international diplomacy.

The new Cabinet represents an artful but conventional piece of political balancing. It has brought out the potential challenges to Mr Nakasone. At the same time it has pointed up the fact that he still has political force despite the damage sustained by the poor showing of his Liberal Democratic Party in the general election of December 18.

The Prime Minister appears to have won the backing, more speedily than expected, of all the important elements in the ruling party for his allocation of important Cabinet and party posts.

He has finally managed to get his own right-hand man, Takao Fujinami, into the influential position of chief Cabinet secretary and another member of his faction, Mr Hikosaburo Okonogi, as Minister of International Trade and Industry.

He has also benefited, though not directly by his own hand, from the surprising decision of the small New Liberal Club, which broke away from the LDP in 1976, to support the Government in return for being granted one Cabinet position.

The New Liberal Club is a small splinter group which broke away from the LDP in 1976 to protest against scandals involving Mr Kakuei Tanaka, the former Prime Minister, and other senior politicians.

Mr Nakasone's survival had been uncertain following the elections in which the LDP suffered a stunning setback, losing 36 of its 285 seats.

The election was dominated by the furore surrounding Mr Tanaka's October 12 conviction for accepting bribes in the Lockhead Corporation scandal of the early 1970s.

Mr Tanaka was re-elected with a massive majority in his own constituency but his party suffered badly. He controls a large parliamentary bloc.

The LDP-NLC alliance, the first coalition since 1947, effectively gives the Government a measure of control over parliamentary committees which would have been denied the LDP on its own account because of its election losses.

The alliance was brought about principally by the mediation of Mr Rokosuke Tanaka, who has been rewarded with the position of secretary-general of the LDP.

Mr Rokosuke Tanaka is a member of another LDP faction, that of Mr Zenko Suzuki. He is, however, on close terms with Mr Kakuei Tanaka, whose influence over the new Cabinet will probably be marginally less than his influence over the last.

From Mr Nakasone's point of view the importance of the rise of Mr Rokosuke Tanaka is that it is at the expense of another Suzuki faction member Mr Kiichi Miyazawa, who was previously considered to be the most powerful potential challenger for the prime ministership.

Mr Miyazawa has been squeezed out of a major post in the Cabinet.

A notable readmission to the Cabinet, and thus providing an enhanced power base, is Mr Toshio Komoto, yet another faction leader, who once more becomes director of the Economic Planning Agency, a post he held in the last Suzuki Cabinet.

Editorial comment, Page 8

Greece will need to continue economic restraint, OECD says

BY PAUL BETTS IN PARIS

THE GREEK economy will have to continue to undergo big adjustments despite some welcome signs of progress during the past year, the Organisation for Economic Co-operation and Development (OECD) says in its latest survey on Greece.

The economic tightening by the Socialist Government after the inflationary policies applied between 1979 and the middle of 1982 is beginning to bear some fruits, the OECD notes.

Among positive developments, underlying inflationary pressures have eased this year and the OECD believes consumer prices will increase at a rate below 17 per cent in late 1984, compared with more than 20 per cent in recent years.

The OECD also forecasts that the current balance-of-payments deficit, which was reduced to $1.9bn in 1982 from $2.4bn in 1981, will remain about the same level in dollar terms this year, although it might rise slightly in 1984.

Tax increases have also helped to reduce the public-sector borrowing requirement (PSBR) as a proportion of gross domestic product. However, the OECD says the PSBR, which totalled Dr 404.2bn ($4bn) last year, remains excessive.

The OECD report says that no steady and significant slowdown in the inflation rate, which among other factors would help to restore confidence in the Greek currency and reduce capital outflows, can be achieved without budgetary and monetary restraint.

The OECD also says that in the special circumstances of the Greek economy, incomes policies can play a central role in the disinflationary process.

Changes in the Greek wage indexation system this year are a first step, the OECD notes, adding that the consequent reduction in real earnings is part of the necessary sacrifices.

Another key aspect of the economic adjustment Greece must undergo is the need for a shift in the allocation of available resources to promote investment and net exports, and to restore an adequate level of profitability in exposed economic sectors.

The report estimates that the relative share of private and public consumption may have to be reduced by as much as 8 to 10 percentage points of gross domestic product in favour of productive investments and net exports.

Wall St boosted by hopes of reduction in rates

By Terry Byland in New York and Gordon Cramb in London

WALL STREET returned from the Christmas break yesterday in a mood of optimism, stimulated by predictions from analysts at the banking and brokerage houses that U.S. interest rates might ease in the New Year.

The strong start there followed a day of good gains by stocks in many of the world's other financial centres where an extra post-Christmas holiday was not observed. Buying, particularly in the Dutch and Swiss markets, was unseasonably vigorous and cleared the path to new summits for bourse indices.

Part of the motive force, as on Wall Street, was provided by a $2bn fall in the weekly M1 aggregate of U.S. money supply reported late last Friday.

The Tokyo market, however, had the prime impetus on its doorstep as investors there welcomed the cementing of the new Japanese coalition.

Hopes strengthened on Wall Street for an end-of-year rally in stocks as the federal funds rate, the key short-term indicator, dipped below 9 per cent for the first time in some weeks and the bond market started the session with gains in price of between an eighth and a quarter point.

A brisk pace was set in the stock market, where the Dow Jones industrial average closed 13.21 up at 1,283.72.

Most of the market leaders moved forward and there were minor recoveries among the utility and airline issues which suffered a selling bout towards the end of the pre-Christmas trading week.

The list of active stocks was headed once again by the old and new stocks of American Telephone and Telegraph, which will merge to the new single issue of AT&T on January 1 when the break-up of the Bell telephone system finally takes effect.

After see-sawing in early December because of fears that the resurgent economy might cause the Federal Reserve Board to tighten credit to prevent an overheating, stock market sentiment was swung towards a more optimistic view by last week's "flash" forecast from the U.S. Commerce Department for gross national product, projecting a lower growth than the bond market had.

While market economists remain cautious over interest rates, they are now more confident that the Fed will not find it necessary to

Continued on Page 10
Market reports, Page 16

Peugeot may alter Talbot's legal status

BY PAUL BETTS IN PARIS

THE PEUGEOT group, France's financially troubled car maker, is considering altering the legal status of its French Talbot subsidiary.

The move is a protective measure to avoid forcing the private car group as a whole to file eventually for bankruptcy should the current labour strife at Talbot's large plant at Poissy, outside Paris, remain unresolved.

Peugeot said last night that its central works committee would meet on January 5 to consider the legal modifications. It indicated that the proposal involved Automobiles Peugeot, the company that controls Peugeot and Talbot, in shedding its 95 per cent stake in Talbot et Compagnie, the French Talbot subsidiary, to a company called SA Talbot and another company called Sora SA.

The car group did not give details of Sora. SA Talbot controls the 5 per cent stake in Talbot et Cie not held by Automobiles Peugeot.

The changes thus appear designed to insulate from a legal point of view the Peugeot group from the French Talbot subsidiary, whose entire operations are centred at Poissy. That would presumably enable the group to shut the plant without dragging in the rest of the group, including Talbot's UK and Spanish operations, the Peugeot operations and the Citroën operations.

Talbot's UK and Spanish operations are separate subsidiaries of the Peugeot group and are thus not directly affected by the troubles of Talbot et Cie, the French subsidiary.

The plant continued to be the scene of increasingly acute labour tensions yesterday, with a number of second-hand cars set on fire by strikers outside the factory.

Poissy is at the heart of Peugeot's attempts to cut about 7,500 jobs at its French Peugeot and Talbot divisions, or the equivalent of 10 per cent of their total workforce.

Although Peugeot has gained tentative government approval to reduce some 4,500 jobs by early retirement, it has faced strong opposition over its proposals to make 2,900 workers redundant at Poissy.

Before Christmas, Peugeot finally negotiated a deal with the Government enabling it to make 1,900 redundant. But the trade unions have decided to fight on against the compromise.

Poissy has also been occupied by some 100 militant workers, who continued to stand their ground

Continued on Page 10

European award for Fiat's Uno model

BY KENNETH GOODING IN LONDON

THE UNO, which Fiat launched by flying more than 600 European journalists to Florida for a week, has been named 1984 European Car of the Year. Another "supermini," the Peugeot 205, was in second place.

The award, decided by 53 jurors from 16 European countries, carries considerable prestige. Some industry estimates suggest that the award has added 100,000 to the annual sales of previous winners.

Fifteen cars were entered for the 1984 award, including six from Japan. The Uno was awarded 346 points and came top in Austria, Belgium, West Germany, the UK, Italy, Ireland, Spain, Sweden and Switzerland. It was equal top in Greece and Portugal.

The Peugeot 205 scored 325 points; the new Volkswagen Golf, 156; the Mercedes 190, 116 points; the Mazda 626, 99 points; the Citroën BX, 77 points; and the Austin Maestro 70 points.

Fiat says the Uno is the most important car it has launched since the best-selling baby, the 127, first appeared in 1971.

It hopes the Uno will become Europe's best-selling car, a title the 127 held for several years. Fiat wants to produce and sell the Uno at the rate of 450,000 a year, more than for any model the company has ever made and well above the 330,000 the 127 achieved at the height of its popularity.

The lavish launch in the U.S. – a market where the Uno is not intended for sale – was designed not only to draw attention to the new car but also to persuade the European press that the Fiat car business was on the way to full recovery after several years of losses.

Previous winners of the Coty award, organised by six leading European publications, included the Audi 100 in 1983, the Renault 9, the latest Ford Escort, the Lancia Delta and the Chrysler/Talbot Horizon.

CONTENTS

Reagan takes blame for Beirut bomb deaths

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan yesterday assumed full personal responsibility for any security failures that might have led to the deaths of 241 American servicemen in the October 23 truck-bombing of U.S. Marine headquarters in Beirut.

In a brief news conference before leaving for California, he appeared to rule out disciplinary action against Marine commanders on the ground in Lebanon, who have been sharply criticised for failure to take adequate measures to prevent the attack, which deeply traumatised U.S. public opinion.

Mr Reagan was commenting on the report on the incident by a Pentagon-appointed commission chaired by Retired Admiral Robert Long, the publication of which was delayed while Mr Reagan and other senior Administration officials considered its implications.

Mr Reagan, who is the commander-in-chief of all U.S. forces, said that he wholeheartedly agreed with the commission's conclusions that the U.S. and its military institutions were "by tradition and training inadequately equipped to deal with the fundamentally new phenomenon of state-supported terrorism."

He called for new international co-operation among "civilised countries" to share intelligence and improve training, security and force levels "to deny havens or legal protection for terrorist groups, and most importantly of all, to hold increasingly accountable those countries which sponsor terrorism and terrorist activity around the world."

Mr Reagan said that the number of terrorist incidents worldwide had increased by three or four times since 1968, and that 53 per cent of recent attacks had been aimed at U.S. targets. But he produced no specific proposals for dealing with the threat.

He expressed hope that the U.S. might be on the verge of new progress towards national reconciliation in Lebanon and the withdrawal of foreign forces from the country, including the U.S. marines, he warned, however, that "Utopia" would not be expected.

Mr Reagan's remarks were seen in Washington as reflecting the Administration's concern over the Marines' highly controversial deployment in Beirut on the eve of election year.

Mr Reagan, however, does not yet appear ready to pull the U.S. forces out until he can either claim that they have fulfilled their mission—or say that peace remains so impossibly elusive that there is no point in their remaining. Above all, he does not want to suggest, by a premature withdrawal, that the many who have been killed in Beirut died in vain.

Nora Bonstany in Beirut and Our Middle East Staff in London add: Beirut airport came under renewed artillery fire yesterday afternoon, threatening the ceasefire agreed on Monday night after the worst outbreak of fighting in the southern suburbs of the Lebanese capital since September.

For the first time since Christmas Eve, residents of the Sabra and Chatila refugee camps along the airport road ventured out of their homes and shelters yesterday. Fierce clashes between Shia militias and the Lebanese Army had left 45 people killed and over 150 wounded in the spate of violence that followed a confused pull-out of French troops from a sensitive area in Beirut's Shia Moslem slums.

The security deterioration over the long Christmas weekend accompanied efforts by Lebanese businessman Mr Rafik Hariri to consolidate a December 16 cease-fire that allowed Beirut airport to reopen after a 17-day closure.

The redeployment of the French troops coincided with a visit here by M Charles Hernu, the French Defence Minister. Italy has already decided to scale down its presence as part of the multinational force in Beirut.

Israeli forces also came under attack yesterday in Sidon. One Israeli army officer died and three guerrillas were killed during a clash in the city. Israeli spokesmen said a patrol had encountered a guerrilla faction attempting to lay an explosive charge.

● Reports from Sanaa, North Yemen, yesterday indicated that Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, is planning to hold a meeting of his military committee to decide on a new PLO strategy. Arab news agencies said several senior PLO members had already arrived in Sanaa from Tunis. Mr Arafat was sharply criticised by some of his supporters for his decision to visit President Mubarek of Egypt in Cairo last week.

Dr Osama el-Baz, a senior adviser to President Mubarak, yesterday again urged the U.S. to open a dialogue with Mr Arafat. He described Mr Arafat as a responsible leader of the Palestinian people and the "voice of reason and moderation within the Palestinian movement."

Tim Cooper, who spent three months with rebel forces in Afghanistan, assesses their prospects

Internal dissent hobbles Afghanistan's rebel tribes

IN THE small village of Estana, just 45 miles north of the Afghan capital, Kabul, the man the Russians most fear sits down to a tea in his honour.

The *room* is hushed as Ahmed Shah Massoud, flanked by heavily armed bodyguards, speaks to each of his hosts in turn in a carefully timed ritual. At 30 years of age, Massoud is gaining a reputation as one of the few men who could unite Afghanistan's fractious tribes against the Soviet invaders.

Using the safe haven of the Panjshir Valley as a base, Massoud is trying to secure *agreements of mutual asistance* from other rebel groups whose men he trains in the north and centre of the country. That afternoon in Estana, which nestles high in the Hindu-Kush mountains, he was chipping away at this herculean task.

Massoud first started fighting six years ago—two years before the Russian invasion. If he succeeds in forging even a semblance of unity among the unruly tribes of Afghanistan, the Russians will have a real fight on their hands.

Massoud has already scored a notable success by achieving what appears to be the first tangible and lasting result of the four-year conflict—the Panjshir ceasefire.

The Aghan Government and Soviet forces have striven unsuccessfully to control the strategically placed Panjshir valley since 1979.

In the autumn of 1982, responding to growing resistance, Soviet commanders launched a massive ground and air attack. For six days, it seemed as if the Russians would succeed.

Then Massoud saw an opportunity to score decisive points against the Russians. In a lightning advance up the valley, a large element of the Russian airborne force had out paced supplies and was in danger of being cut off.

Massoud reacted by organising his men into small mobile units, and using superior local knowledge to encircle the Soviet troops. The Russians made several costly attempts to break out, but failed. Finally, they proposed a ceasefire. Massoud agreed. He too was low on supplies, but having the upper hand, struck a hard bargain.

> ❛ If Massoud succeeds in forging even a semblance of unity among the unruly tribes, the Russians will have a real fight on their hands ❜

The ceasefire was eventually confirmed in April 1983, for an initial period of six months. The only Soviet presence in the Panjshir now is one small base at Anawa, at the mouth of the valley. The six months have now passed, and as neither side has broken the agreement, it seems that it will continue.

Although some of Massoud's rivals, particularly in Pakistan, claim that he is co-operating with the Government, from what I saw, this does not appear to be true. In fact, the valley is now being used as a major training centre of mojahideen from all over Afghanistan. Massoud's own mojahideen regularly leave their home to fight in other parts of the country.

For the past four years there has been talk of unity. The mojahideen (rebels) parties are now divided into two main camps, the Islamic fundamentalists and the Traditionalists who support the *deposed* king, *Zahir Shah*. In reality there are still over 15 separate parties and innumerable *local leaders*.

It is this lack of unity which, more than any other factor, has prevented the mojahideen from reaching their full potential. In many areas of Afghanistan, the situation is so out of hand that there are more mojahideen casualties sustained in internecine fighting between the factions than in action against the government. The result is low morale and little popular support.

The Soviets have consolidated their position in Kabul, and in their other bases around the country. They counterattack brutally when their own bases are threatened, but appear content to allow the mojahideen the run of the sparse rural and mountain areas.

The rebels confine themselves chiefly to ambushing supply convoys and attacking minor posts in hit and run raids. There are exceptions to this. Rebels in Peshawar claim a string of successes against Soviet bases. In the border province of Pahktia, one Afghan Government garrison has recently fallen, and two others are under siege.

Because of the large numbers needed to encircle a base a rough, if temporary, form of unity springs up on such occasions. But this show of solidarity is rare, and until the rebels unite they have little hope of hurting the Russians enough to make them rethink their position.

Soviet war of occupation remains a major East-West irritant

BY ALAIN CASS, ASIA EDITOR

WHEN Soviet President Yuri Andropov left the public scene with a "cold" more than four months ago he took with him one of the most tantalising enigmas of 1983—did he really want to start disengaging the Soviet Union from a bloody war of occupation in Afghanistan or was it all a ploy?

An authoritative answer will have to wait the Soviet leader's return and a more explicit definition of Moscow's policy. Recent events, however, are not encouraging.

These, like Mr Diego Cordovez, the UN mediator, and President Zia ul-Haq of Pakistan who foreshadowed changes on Mr Andropov's succession to the Kremlin leadership appear to have been over-optimistic.

Despite assurances by Mr Cordovez as long ago as last May that he had "95 per cent" of a draft settlement on Afghanistan wrapped up, the UN-sponsored talks appear to have ground to a halt. These foundered largely on Moscow's refusal to consider a timetable for withdrawal.

Last week Mr Vitaly Smirnov, the Soviet Ambassador in Islamabad, warned Pakistan against helping the Afghan rebels based in the border town of Peshawar.

In a joint statement with the regime of Mr Babrak Karmal in Kabul, he said the Soviet Union and Afghanistan would retaliate against such continued support.

The warning came a few days after the fourth anniversary of the Soviet invasion in 1979 to prop up Kabul's fragile Communist regime. It could signal, according to some diplomats, a tougher stand by the Kremlin now the diplomatic efforts have stalled.

The Soviet Union is unlikely, however, completely to abandon efforts to reach a diplomatic solution. On a local level it is continuing to build up economic relations with Pakistan which remains, however cautiously, interested in a negotiated solution if only to relieve the pressure of 4.5m Afghan refugees on its side of the border.

On a broader front, Moscow *is likely to retain the* option of a negotiated settlement because of its desire to improve relations with China as those with the U.S. deteriorate.

Despite continued losses of men and equipment the Soviet Union nevertheless appears to be deeply committed to embedding a Russian-style regime in Kabul. *The* U.S. estimates the number of Soviet dead at 5,000 but this is a tiny proportion of the Russian military machine.

In the past year the Soviet Union's 105,000 troops in Afghanistan have been consolidating their positions in the major urban areas as well building new garrisons in the west.

This, according to some *analysts, foreshadows* a fear in Moscow that a clash with the Islamic fundamentalists in Iran is inevitable as Tehran's clandestine support for Afghan rebels grows

Although it has recently been overshadowed by the breakdown in the nuclear arms reduction talks, the Soviet *occupation* of *Afghanistan* remains a major East-West irritant.

U.S. officials, however, point to a number of benefits to the Soviet Union from this uncomfortable situation and argue that a Russian withdrawal is unlikely unless and until a Communist regime is firmly installed in Kabul.

One benefit is the supply of natural gas from northern Afghanistan. Another is a ready-made training ground for Soviet troops. A third is a recent increase in trade *between northern Afghanistan* and the adjacent Soviet republics.

Set *against these and the* appalling prospect of defeat in Afghanistan after four costly years the containable cost of remaining there for Mr Andropov and his colleagues does not appear, for now, too high a price to pay.

Brussels urged to support European television industry

BY RAYMOND SNODDY IN LONDON

A PERSONAL initiative to try to persuade the EEC to provide funds to support European television programming has been launched by Mr Aubrey Singer, managing director of BBC Television.

Such an expansion of the European television industry would not only create jobs but *help to combat* the expected tide of cheap U.S. imports on Europe's new cable television networks.

Mr Singer is to meet Mr Ivor Richard, the EEC Employment and *Social Affairs Commissioner* and Viscount Etienne Davignon, Commission vice-president early in the new year to press the case for the establishment of an EEC Audio-Visual Authority to support European-made programmes.

The suggestion is being taken seriously by the Commission as many EEC member states are concerned that cable and *satellite television* will encourage new levels of U.S. "media colonialism."

As a result of Mr Singer's initiative, a committee is likely to be set up in the new year through which representatives of the *users* and producers of films and television to see how more funds could be provided *for European programme* makers.

One idea being considered is that of setting up a European film and television foundation which would bring together EEC industrial funds and private sector finance.

Programmes made by Europeans for use in more than one EEC member state, could receive financial support.

Mr Maurice English, head of the intelligence unit in the European Commission's Information Technology Task Force, says the issue of supporting European programme makers is being looked at as a matter of urgency.

Mr Singer fears that whole U.S. cable channels may be beamed over Britain and Europe by medium-power satellites. He calls the process the "Canadianisation" of Europe in that with the growth of cable in Canada the Canadian Broadcasting Corporation's (CBC) audience share has fallen from 35 per cent to 22 per cent.

Canada has fought back by making available a subsidy of some $60m raised by a private levy of 6 per cent of cable revenue.

Spanish steelworkers strike

BY DAVID WHITE IN MADRID

PROTESTING steelworkers at Sagunto near Valencia in eastern Spain blocked main road traffic during a 24-hour strike yesterday as the Socialist Government's far-reaching decree dealing with ailing industries went to Parliament for ratification.

The decree, announced four weeks ago, provides for investments of over $6bn (£4.3bn) to offset the scaling down of Spain's steelworks and shipyards as well as other industries such as household electricals.

The industrial action at Sagunto, backed by *all unions* at the state-owned Altos Hornos del Mediterraneo steel complex, was the latest in a long series of protests against plans for partial closure of the plant.

Following delays in implementing the planned measures, a steering committee grouping steel industry representatives and unions was due to meet last night in a last-ditch attempt to establish an agreed timetable for cuts. Failing agreement, Sr Carlos Solchaga, Industry Minister, has said the government will set closure dates.

Plans for restructuring the steel sector involves cutting some 10,000 jobs at the country's three main steel centres, including Sagunto, almost a quarter of the workforce.

Against the background of strong local opposition in the Sagunto region, which has not been allayed by new investment projects, the steel negotiations have brought to a head the friction between the government and the powerful Communist trade union, Comisiones Obreras.

Swiss Cabinet to seek subsidies cut

BY ANTHONY McDERMOTT IN BERNE

THE REVISION of the Swiss banking regulations and the reorganisation of government subsidies which cost some SwFr 5.5bn (£1.8bn) this year are two policy priorities the Finance Ministry will put before the Swiss Federal Council (Cabinet) in the coming year.

Policy issues for the Cabinet and the two-chamber Parliament are to be outlined before the end of the week in the first public statement by the Finance Ministry since its new minister, Dr Otto Stich, formally took over on December 22.

However, the government's *financial policy for 1984*, which includes the proposed introduction of VAT, a programme for reducing the chronic budget deficit over the four-year life of the parliament to zero, and an attempt to harmonise the varying levels of taxation in the different cantons, does not involve any startling innovations.

The people of Switzerland are to vote next May in a referendum, proposed by the Socialists, to forbid abuses of the bank secrecy laws. Officials at the Finance Ministry believe the proposal will be rejected. But it is *believed*, in reaction to the views of Swiss bankers and others, that modification of existing laws regulating banking is coming.

Romania to reduce food supplies

By Leslie Colitt in Berlin

ROMANIA is to reduce basic food supplies next year because of a poor harvest and the high level of food exports needed to help reduce the country's hard currency debt.

Meat rations are to be lowered 15 per cent and flour 13 per cent. Milk, cooking oil and sugar are also to be reduced although shortages already exist in many parts of the country in spite of rationing.

Special food reserves are to be kept for the capital of Bucharest and the coal mining centre of the Jin Valley where labour unrest has broken out in the past.

In Czechoslovakia, the Agriculture Ministry said food supplies had improved, after a good harvest and price rises. Meat supplies are said to be good compared to last year although meat distribution remains poor in some parts of the country.

Next year wages in Czechoslovakia are to be brought more closely into line with company profitability. Almost half of the increase in Czechoslovakia's growth is currently being used to service the country's hard currency debt, according to Mr Svatopluk Potac, the chairman of the Planning Commission.

Hungarian elections to be contested

By Leslie Colitt in Berlin

PARLIAMENTARY elections in Hungary, this coming year, are to be contested by at least two candidates in each district who need not be members of the Communist Party.

In passing a new electoral law, the Hungarian Parliament said voters will be able to strike off the names of several candidates leaving one.

All the contenders, however, will have to acknowledge the "leading role" of the Hungarian Communist Party.

U.S. freeze inflicts heavy crop damage

BY TERRY BYLAND IN NEW YORK

CHRISTMAS in the U.S. brought sub-zero temperatures throughout the country, inflicting serious damage on citrus and vegetable crops in the southern and mid western states.

The nine-day cold spell set record low temperatures in dozens of *U.S. cities* and caused some 200 deaths, mainly in traffic accidents.

Temperatures ranged from 14 degrees fahrenheit in Houston, Texas, to 20 degrees below zero in Rapid City, South Dakota.

Florida's orange-growing areas were particularly hard hit by the freeze which severely damaged the harvest for the third consecutive year.

While it was still too early to assess the financial loss to the Florida crop, the industry was comparing the scale of damage to that suffered in 1981 when the citrus fruit harvest was cut by about one sixth by a heavy freeze during January.

In Texas, the harsh Christmas weather caught citrus farmors with about two-thirds of their crop ready for harvest. Damage was estimated at about $30m (£21.4m).

Damage to vegetable crops in Florida and Texas was also very heavy, with the industry predicting a loss in income of *between $20m and $30m*.

New York suffered temperatures of about 4 degrees Fahrenheit on Christmas Day. At least six people were reported to have died from exposure.

Seven hundred people were stranded at a high school in northern New York state when the *storm* forced authorities to close a highway for two days.

The National Weather Service said the cold spell set 80 low-temperature records yesterday.

Water supply pipes froze and burst in several cities, including at Fort Worth, Texas. Fires caused by over-heated household furnaces killed several people.

Calcutta congress could be prelude to election

BY K. K. SHARMA IN CALCUTTA

A FOUR-DAY session of the ruling Indian Congress-I Party, led by Prime Minister Indira Gandhi, begins a significant all-India plenary session today, possibly foreshadowing early general elections.

The session is being held in Calcutta, capital of the Marxist-ruled state of West Bengal, after a lapse of eight years, with an eye to the coming elections which have to be held before January 1985.

The belief that Mrs Gandhi may decide on an early poll is *strengthened* by the unexpectedly good performance of her Congress Party in three parliamentary by-elections and 11 by-elections to five state legislatures last Friday, the results of which were announced on the eve of the Calcutta session.

The Congress wrested one parliamentary seat from the opposition parties and, although it lost the two others, it did so with very narrow margins.

More significantly for the Congress, it won eight of the 11 by-elections to the five state legislatures at a time when the party's fortunes were thought to be on the decline. Two of these victories were in West Bengal, where the *Marxist* party was trounced in its stronghold.

The all-Indian Congress plenary session is being held for the first time in a state where the party is not in power in a bold challenge to the marxists.

Considerable organisational work has gone into making the session a success and at least 10,000 delegates are to attend it from the country's 22 states.

Its *significance* as a prelude to the General Elections is clear from the fact that the session will highlight three main points. These are the eradication of poverty and maintenance of national unity, India's anti-war campaign and Mrs Gandhi's role as leader of the third world. All are meant to *project* Mrs Gandhi's personality and leadership.

Mauroy in charge of 'oil sniffer' plane probe

By Paul Betts in Paris

M PIERRE MAUROY, the French Prime Minister, has taken charge of what has become known as "the affair of the oil sniffing planes" which is providing the country with an unusually ferocious end-of-year controversy.

The affair centres on tests conducted between 1976 and 1979 by the state-controlled oil company Elf-Aquitaine of a novel but unsuccessful method of searching for oil and mineral deposits using electronic equipment installed on aircraft.

M Mauroy has studied a confidential report at the Christmas weekend which had been drawn up by the Cour des Comptes, the French public accounts watchdog body. This report had been ordered by the former right-wing administration of President Valery Giscard d'Estaing and Prime Minister M Raymond Barre. Former President Giscard d'Estaing had authorised the experiments that cost the Elf group FFr 1.3bn (£108m), though the oil company eventually retrieved only some FFr 500m.

M Mauroy yesterday held talks with M Andre Chandernagor, the new president of the Cour des Comptes and former minister in charge of relations with Europe. He is also due to consult other leading figures *involved in the affair in coming* days.

Some copies of the original report had been destroyed by the former president of the Cour des Comptes, M Bernard Beck, though others still exist. This sparked off the controversy in the National Assembly with M Henri Emmanuelli, minister of state for the budget, calling the project a "giant fraud."

Both former President Giscard *d'Estaing* and *Prime* Minister Barre immediately denied any impropriety and accused the Left-wing Government of concocting the controversy for political ends.

At the weekend, M Max Gallo, the Government spokesman, fanned the flames by claiming that even Tintin, the famous *cartoon character*, would not have fallen for the "hoax." M Lionel Jospin, the first secretary of the Socialist party, asked for public disclosure of the report, while the Communists have continued to demand a Parliamentary investigation.

Elf, which has been deeply embarrassed by the row, has continued to insist the project had been justified.

For his part, M Chandernagor has also come under attack from the opposition that is demanding he step aside from a Cour des Comptes investigation into the affairs of the Mission Laique Francaise, of which he was president.

In a further twist to the affair, M Albin Chalandon, the former chairman of Elf, is quoted in the latest issue of the satyrical weekly, Le Canard Enchaine, which first exposed the entire matter, as saying the principal reason for the secrecy surrounding the affair was to safeguard the image and credibility of the French state and its oil company.

Sabena staff strike

STAFF of the state-controlled Belgian airline Sabena yesterday went on a one-day strike after unanimously rejecting a draft agreement reached last week by the company and union negotiators, AP reports from Brussels. The strike was in protest at a deal that included wage cuts from 2 to 17 per cent.

Steel rescue plan

PRIVATE sector steelmakers are preparing an offer to take over part of the Cornigliano steelworks near Genoa from the state steel group Finsider Spa as an alternative to its closure, industry sources said, Reuter reports from Rome.

Envoys leave Dhaka

FIVE Soviet diplomats in Dhaka identified recently by the Government as "undesirable" left for Moscow on Monday, *Sayed Kamaluddin reports from Dhaka*. The Bangladesh Government has also ordered the closure of the Soviet cultural centre in Dhaka and the Soviet consulate general office in the Port City of Chittagong.

Brazilian Debt

Brazil plans to sign its $6.5bn (£4.3bn) loan from commercial banks on January 16, not on January 6 as reported in the Financial Times of December 24.

Andropov calls for better managers and more effective planning

BY ANTHONY ROBINSON

SOVIET President Yuri Andropov called for major changes in the Soviet planning, monetary and managerial systems and demanded more efficient use of resources and greater care of the environment in an economic policy speech read out for him in his absence at this week's Communist Party central committee plenum.

The speech, which reflected a considerable refinement *of* his earlier, more generic calls for greater discipline and the abolition of bottlenecks, appears to mark a new commitment to fundamental reforms in the structure of planning and in the entire economic system.

Mr Andropov called for "a clear definition of the functions, rights and responsibilities of management bodies and enterprises . . . Improvement of the planning system proceeding from the demands for higher socio-economic effectiveness and . . . higher effectiveness of economic levers and stimuli of the economic mechanism in their entirety, including price-formation, the credit-financial system, and methods of evaluating the *results of economic activity*."

He also laid stress on the needs to promote managers and party cadres on the basis of their *skill* and ability. "Of major importance is the thorough selection of cadres according to their business and political qualities, the education of true organisers of production, resourceful, able workers . . . combined with high exactingness and principledness," he said in a passage which reflects the struggle now taking place to remove ill-educated Brezhnev-era appointees with younger, *better qualified technocrats*.

Mr Andropov clearly hinted that preparing the 1984 plan had been fraught with *difficulties*. Comrades know, he said, that "the plan for 1984 was not easy to form. It has been balanced with a certain strain . . . influenced by the known drawbacks in the national economy and by the quality of planning itself."

He also made clear that what he *called* "the high *targets* in the draft plan" will only be possible to achieve if managers "economise all types *of* resources, materials, feedstock and energy, raise labour productivity and boost the manufacture of consumer goods."

He was scathing about the enormous losses caused by shoddy workmanship and poor materials which led to the rejection as sub-standard of 1.5m clocks *and watches, 160,000* refrigerators, 500,000 TV sets and other scarce consumer items.

Mr Andropov took managers to task for failing to raise productivity even when new machines were introduced. He cited the Kharkov tractor plant which received 9 per cent more *machine tools in two years* but failed to raise productivity because average use of machine per shift dropped proportionately.

A new note of concern about environmental damage also characterised his speech, reflecting several major pollution disasters in recent months *and unforeseen* consequences of major water projects, which, for example, have caused enormous damage through subsidence and flooding at the Atommash nuclear power equipment complex at Voronezh.

The economic targets for 1984 will be announced by Mr Vasili Garbuzov, the Minister of Finance, and Mr Nikolai Baibakov, head of the planning commission Gosplan, at today's session of the Supreme Soviet.

They are expected to be higher than last year's targets, which were the lowest ever set. They were, however, comfortably over-fulfilled thanks to good harvests

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ECGD sets out position on Nigerian debt

By Our Foreign Staff

BRITAIN'S Export Credits Guarantee Department (ECGD) last week issued a statement on its reaction to Nigeria's request for a refinancing of payments owing to British exporters. The text was as follows:

"The Export Credits Guarantee Department was approached a few weeks ago by S. G. Warburg, one of the banks advising the Nigerian Government, with a request that we should assist the Nigerian Government in finding a solution to the problem of the arreas of short-term debt. We agreed to consider this, and today (December 22) we have had exploratory discussions with a team of Nigerian officials, led by the Permanent Secretary at the Federal Ministry of Finance, Alhaji Abubakar Alhaji.

"We now have a clearer idea of Nigerian intentions. The Nigerian Government is asking for refinancing credits to enable existing arrears of short-term debt (estimated at from $3bn to $5bn) to be brought up to date. ECGD would be asked to guarantee such a refinancing credit, which the Nigerians have proposed should be repaid over a six-year period, including two and a half years grace. Comparable relief would also be sought from other official agencies and private uninsured investors.

"The refinancing credits to be guaranteed by ECGD would relate only to arrears of debts which the Department previously had covered. Therefore the proposal does not involve any significant increase in ECGD exposure, although we will of course have a liability for some additional interest.

"The Nigerian team were assured that Her Majesty's Government would give their proposals very careful consideration. It would be necessary to have multilateral negotiations with other official agencies in order to ensure parity of treatment.

"Moreover, in any event, any agreement would be dependent on progress being made in the negotiations between the Nigerian Government and the International Monetary Fund on a new IMF programme.

"In the meantime, ECGD will remain open for cover on Nigeria, but in order to allow some time for stock-taking, and the further discussions with the Nigerian Government that will be necessary, the Department will have to delay the processing of new applications.

"Medium-term applications for project business: There will be further discussions with the Nigerian Government about their priorities. Further offers from ECGD will not be made until these discussions are completed."

Oman signs contracts for 500km pipeline

MUSCAT — Petroleum Development Oman (PDO) has signed contracts totalling nearly $40m for construction of 500 km of pipeline, a Ministry of Petroleum and Mineral Resources spokesman said.

He told Reuter a $19.1m contract was awarded to the Italo-Greek Saipem-CCC Enterprises Consortium, while a second contract worth $19.3m went to France's Entrepose SA.
Reuter

David Marsh *in Paris reports on a strategy to open up the European market in selected areas*

France employs the anti-protectionist weapon in its campaign for high technology profits

"M FABIUS believes in efficiency," says a top French government official explaining why, in some areas at least of high technology trade, France seems to have turned its back on protectionism.

M Laurent Fabius, the Industry Minister who took over the job in March, has launched what amounts to almost a crusade against protectionism, to open up the French market in such fields as telecommunications and computers—provided that such steps also lead to similar moves by other countries to allow French electronics companies to expand their own sales abroad.

Steps to allow gradual opening of EEC markets in telecommunications form an important part of the European industrial strategy which Paris will be putting forward when it takes over the presidency of the Community for the first six months in 1984. But in other areas of electronics, foreign companies which do business with France say that protectionist policies inherited from the past are still continuing, and are sometimes worse than ever.

Reciprocal

France has already concluded one agreement in telecommunications, with West Germany, covering a joint radiotelephone project and a limited reciprocal opening of markets for public sector telephone equipment. And it is negotiating another, potentially much further reaching, accord with Britain. This could lead not only to cross-border swaps of telephone exchanges but also joint international research and marketing by CIT Alcatel of France and Plessey or GEC of the UK.

It is not mere coincidence that the telecommunications field has been chosen for France's free trade push. CIT Alcatel, which is being given responsibility for the overall French telecommunications sector following the landmark industrial restructuring deal with Thomson in September, is at present the world leader in sales of all-electronic digital exchanges.

The company thus stands to profit from more liberal intra-EEC trade policies. And it is urgently seeking expanded international collaboration to ensure its technological lead is not eroded once the rival digital telephone grouping of American Telephone and Telegraph and Philips starts to assert itself in the next year or so.

Significantly, French officials feel that the idea of telecommunications collaboration with Britain is more propitious than links with Germany. They say Bonn is unlikely to want freer telecommunications trade to go too far. This is because Siemens, Germany's industrial leader in public telephone systems, fears damaging encroachment into the Federal Republic of more advanced French equipment.

If agreement is reached, however, with British companies on joint marketing and research efforts, Paris officials say they are optimistic that Siemens would want to join in too. This could eventually lead to a tripartite group pooling European expertise which would be in a better position to confront the AT and T/Philips threat.

These far-flung visions, however, are a long way from the day-to-day problems of foreign electronics companies trying to sell into parts of the French public sector market.

One big U.S. company with a world-wide lead in sophisticated radio communications equipment reports it has recently been barred from key government orders because it is competing with Thomson.

"I've seen the order documents crossed out with 'Non, Non, Non,' all over them," says an executive from the company concerned—who asked not to be identified because he thought it could further damage his sales chances. The company has achieved a sales break-through in supplying advanced radios to France's crack para-military gendarmerie grouping, the GIGN (equivalent to Britain's SAS). But it is unlikely to get further orders throughout the rest of the gendarmerie because, crucially, it lacks a manufacturing base for this equipment in France.

IT is not a mere coincidence that the telecommunications field has been chosen for France's free trade push. CIT Alcatel, which is being given responsibility for the overall French telecommunications sector following the landmark industrial *restructuring deal with Thomson in* September, is at present the world leader in sales of electronic digital exchanges.

In spite of traditional buy-French policies in key government computer areas, IBM is well represented throughout the public sector, which it reckons accounts for around half its business in France. Among other U.S. companies, Control Data is an important supplier to the Posts and Telecommunications Ministry; Sperry has big contracts with the French railways; Burroughs machines help pick the lucky winners in the Government's national lottery.

But, with the notable exception of IBM, foreign computer suppliers generally feel that the going has got tougher in France since the sweeping nationalisations in 1982 extended the public sector market. M. Guy Raffenne, a director at the French subsidiary of Burroughs, says the market for computers in banks has become "harder" since the state banking takeovers.

Britain's ICL, which also complains of increased protectionism in government markets, however, collects a consolation prize in its sales of computers to local authorities, which are outside the central government's direct control.

And M Guy Montlahuc, in charge of sales in the Paris region for Hewlett Packard, explains that even if the "buy French" tendency for big computers persists in some areas, "this is offset by the explosion in demand for smaller computers and decentralised equipment, which has grown four or five-fold in the past two years."

Hewlett Packard is stepping up its investment in France (FFr 300m (£25m) over 1983-1984 compared with FFr 175m in 1981-82). It knows that manufacturing facilities which provide French jobs can pave the way to more government orders. Other companies such as Wang are, however, still hesitating over such a step.

M Jean Calmon, commercial director at Apple France, which imports its basic computers into France, admits: "Our product is not red-white-and-blue. But we're trying to bring something to the party for the French economy. We Frenchify our software and hardware as far as we can—for instance by working closely with French software companies."

Non-French (and especially U.S.) computer companies' drive to behave as "good citizens" in France has been sparked off above all by the example of IBM.

The world's dominant computer manufacturer is well entrenched with manufacturing and research facilities in France, and it feels its relationship with the Socialist Government is now "easier" than it was with the previous right-wing administration. (See article on November 28).

M Fabius even paid a visit to the IBM stand at the autumn Paris electronics and office equipment show and chatted with general management—a gesture which almost certainly would not have been made by ministers in previous governments.

A small step towards increasing French market share for foreign suppliers in the key area of education may be taken soon. Up to now, Thomson has had a near monopoly in this sector. But the Government is asking for tenders for a much-increased volume of computers planned to be introduced in schools. Both IBM and Apple have responded to a preliminary tender for 5,000 micro computers, and a decision on distributing the contracts should be made in January.

A number of British companies are also interested in the French schools computer programme. "There is a lot of interest," says one UK government trade official in Paris. "But up to now companies have been discouraged from bidding because they feel that only French suppliers will be chosen."

Hospitals

In another area attracting much interest from British companies — medical equipment sales — foreign manufacturers have been able to make considerable inroads. UGAP, the large public sector purchasing agency which deals in a variety of equipment from school blackboards to civil service cars, says that imported products now make up around 35 to 40 per cent of the FFr 600m of medical equipment it buys each year for public hospitals. UGAP however handles only a fraction of overall medical supplies, which total around FFr 4bn to FFr 5bn, as many hospitals buy material directly.

Summing up the general feeling that the French electronics market can be attacked only with a good deal of effort and even guile, one marketing director of a big U.S. computer company in France says, "At first, when the Left arrived 2½ years ago, we thought it would be terrible. Now I'm not so sure whether it's a hindrance. But the way is more long and difficult—and we've got to give the Government the impression that they're choosing to buy from us, not that we're selling to them."

Boeing says order book better than last year

By Terry Byland in New York

AN IMPROVEMENT in ord levels for commercial aircr was disclosed yesterday Boeing, the Seattle manuf turer which leads the wo industry.

Boeing Commercial Airplai the civil aircraft manufactur subsidiary, said that its ord list for 1983 stands at 148 a craft, of which 103 we ordered in the second half the year.

The 1983 total is 40 up on t the previous year, and the co pany commented that this w still "far from what we wou consider a very good year." 1980, Boeing had 334 orders f commercial aircraft.

The total for the current ye takes in an order disclosed la week by Lufthansa for s Boeing 737s, valued at mo than $100m. The new aircra designed to carry 109 passe gers, will be delivered by M 1985. Boeing commented th overseas carriers had placed of last year's total orders.

Thais reject Japan loans for sea port

By Chris Sherwell, South East Asia Correspondent

THAILAND HAS unexpected decided against using Japane soft-loans to develop a deep se port because this would preve Western developed countri bidding for contracts, a Th government official was quote as saying last week.

The loans, from Japan Overseas Economic Cooperatio Fund (OECF), were to hav helped finance construction c the baht 2.5bn (£77m) com mercial port at Laem Chaban south east of Bangkok. Th is one of two ports on Thailand' eastern seaboard designed t support the development o export-oriented manufacturing

World Economic Indicators

FOREIGN EXCHANGE RESERVES (U.S.$m)

	Oct. '83	Sept. '83	Aug. '83	Oct. '82
U.S.	6,950	6,910	6,660	9,400
UK	8,967	8,904	8,868	10,974
W. Germany	38,336	37,093	36,718	37,417
Japan	20,444	20,452	20,238	19,071
Italy	17,753	17,670	18,106	12,959
Belgium	3,937	3,858	4,205	3,271
Netherlands	8,730	8,477	8,722	7,588
	Sept. 83	Aug. '83	July '83	Sept. '82
France	18,631	18,864	18,459	11,036

Source: IMF

SHIPPING REPORT

More tankers need to be scrapped, says report

BY ANDREW FISHER

NEARLY 30M deadweight tons of tankers currently laid-up will never trade again, E. A. Gibson Shipbrokers said in its last report for the year on lay-ups and scrapping in this over-tonnaged sector.

But while the volume of tonnage in lay-up has been reduced over the past month, the rate of scrapping throughout the whole years has been less rapid than hoped.

"A far greater number of vessels need to be disposed of quickly to have any effect on depeleting the enormous excess of tonnage and reduce the balance accordingly," Gibson said.

But its own figures showed that scrapping of tankers and combined carriers up to mid-December was slightly down on last year, with 221 vessels of 24.1m dwt scrapped in 1983 against 239 of 24.6m dwt in 1982.

This fall-off in the tanker scrapping rate occurred despite the efforts of shipowning organisations, banks and shipyards to encourage owners to scrap older vessels and reduce the tonnage surplus.

Gibson said the world's tanker fleet was currently around 3,470 ships of 328 dwt, of which VLCCs (very large crude carriers) accounted for 48 per cent by tonnage.

Between mid-November and mid-December, the volume of tankers and combined carriers laid-up, idle or being repaired fell from 375 ships of 64.3m dwt to 357 of 61m dwt. About three-quarters of the total consisted of large vessels above 200,000 dwt.

Gibson reckoned that 27m dwt of vessels now idle would never trade again, including nearly 20m dwt of VLCCs. In the last month, it noted, five out of every six of such vessels had gone for scrap.

Mitsui aims to resume work on Iranian complex

TOKYO — The Mitsui industrial group has not changed its policy of resuming work next month on the giant petrochemical complex at the southern Iranian port of Bandar Khomeini, suspended since September 1980, Mr Tatsuo Imamura, president-elect of the Iran Chemical Development Company (ICDC) said.

He told a Press conference ICDC, Japanese partner in the joint venture with National Petrochemical Company of Iran, believes it is fairly safe for the group to resume construction.

Officials of ICDC said, however, that Mr Imamura's statement should not be taken as a definite plan to send around 100 Japanese engineers to the plant site in January to resume construction.

This is because ICDC is still cautiously watching the position of the Iraqi Government, which last October warned Japan that Iraqi aircraft might bomb the 85 per cent-completed complex if work is resumed.
Reuter

UK NEWS

GM boosts UK content of its Vauxhall models

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ENERAL MOTORS says that by e end of 1984 the UK content of e Vauxhall cars it builds in Brit-n will have risen from the current per cent to an average of 60 per nt.

GM also aims to supply 65 per nt of the cars it sells in the UK om its British plants, at Luton and lesmere Port on Merseyside, by e end of 1984. This compares with out 47 per cent in 1983 – the rest me from the continental Euro-an plants of GM's West German bsidiary, Opel, which also pro-des most of the kits from which auxhall assembles cars in the UK.

During 1984, all the steel for Vauxhall cars will be supplied by the British Steel Corporation and either sent to Opel for processing or to Vauxhall, which will be doing more of its own sheet metal pressing and metal assembly.

Vauxhall will also being sourcing in the UK in 1984 many parts previously supplied from the Continent – including hard trim, bumpers, steering gears and lamps.

This will take the average UK content of Vauxhall cars up to 80 per cent even though the Chevette, built at Ellesmere Port and which is 95 per cent British, will be phased out of production in 1984. Vauxhall says the current local content of a British-built Astra is 50 per cent and of the Cavalier 57 per cent.

GM's critics point out that the UK Department of Industry rejected 80 per cent local content as too low when considering Nissan's proposals for a car plant in Britain. The department insisted that 80 per cent by value would be a suitable level if the British components industry was to benefit from Nissan's proposed project.

GM points out, however, that the build-up of local content "can't be achieved overnight". It has been working on the programme for some years and "we hope for more in 1985."

Austin expansion welcomed by unions

By Philip Bassett

RADE UNION leaders yesterday elcomed the announcement by ustin-Rover, part of the state-wned BL Group, of its intention to ke on an extra 800 workers in the ew year as part of its attempt to in a 20 per cent share of the UK ar market.

Mr Grenville Hawley, national utomotive secretary of the Trans-ort and General Workers' Union, nd BL's senior union negotiator, aid: "We are delighted to see that he expansion of the company is ontinuing and that it is able to ake on additional labour."

The increase in labour has been xpected. Austin-Rover plans to take on about 400 people at its Cowley plan in Oxford next month to help handle the introduction of its new medium LM-11 car, which will then go into volume production.

The new model, which may be called the Montego, following the line of BL's successful Metro and Maestro models, is due to go on sale in April.

Commercial vehicle output 'to rise 4%'

BY KENNETH GOODING

UK COMMERCIAL vehicle output will rise by 4 per cent in 1984 to 280,000, the Economist Intelligence Unit forecasts. But "the industry will remain in the doldrums with output below the 1982 level (269,000) and well short of the 1980 level of almost 390,000 vehicles."

The EIU, in its latest Motor Business review, also expresses concern about Leyland Vehicles, the BL subsidiary which recently announced a freeze on capital investment expenditure by its trucks manufacturing business.

"Leyland Vehicles could incur a trading loss for 1983 greater than £59m loss seen in 1982. And, unless there is a speedy recovery in its fortunes, there could well develop a growing question mark over the long-term future of Leyland Vehicles," it says.

The EIU suggests that the total UK market for commercial vehicles in 1984 will fall by 1.8 per cent to 266,000.

A forecast 4.2 per cent improvement to 50,000 in sales of trucks and articulated units will be more than offset by a decline in sales of light commercial vehicles, it predicts.

New registrations of British-built commercial vehicles are forecast to remain unchanged at 181,000 in 1984, which suggests that the importers' market share will fall from an estimated 33.2 per cent in 1983 to 32 per cent.

The EIU points out that exports of British commercial vehicles collapsed in the first half of 1983 to 34,165 against 53,440 in the same period the previous year, a fall of 36.1 per cent.

The major export model continued to be the Land Rover, which accounted for about one third of total exports of commercial vehicles in the first six months. "If Land Rover exports are excluded, British commercial vehicle exports have now fallen to the equivalent of less than 50,000 a year – and for 1983 will be only slightly higher than half of total imports (excluding four-wheel-drive vehicle imports)".

Export market conditions are unlikely to change much in 1984, it suggests, but the UK industry would continue to fight hard for business and should recover some ground.

"Motor Business" No 116 from the EIU, 27 St James's Place, London SW1A 1NT.

U.S. firms 'impressed with North of England'

By Anthony Moreton, Regional Affairs Correspondent

SUBSIDIARIES of U.S. companies operating in the North of England have a better record of industrial relations than other plants of the same companies elsewhere in the world, says a report produced by the North of England Development Council.

In addition 80 per cent of the companies regard the area as a suitable base for future expansion if this were being considered.

The booklet, Locating in the North of England: the U.S. Experience, shows that around 80 plants in the area – which covers the counties of Cumbria, Northumberland Tyne and Wear, Durham and Cleveland – are subsidiaries or affiliates of U.S. concerns. Three quarters of them have been in the area for at least ten years.

A third of the U.S. companies are in the petroleum and chemicals industries, a quarter in mechanical engineering and metal manufacturing and a further 17 per cent in electrical and instrument engineering.

The first to arrive, over 50 years ago, was Proctor and Gamble. It has since been joined by companies such as Black & Decker, British United Shoe Machinery (a division of Emhart Corp), Cummins Engine, Corning, Ingersoll-Rand Pumps, Monsanto, Phillips Petroleum and Rohm & Hass.

These concerns have played a significant role in diversifying the region's economic base, making a contribution in sectors ranging from sportswear to toys, from engineering to electronics and from pharmaceuticals to energy.

Their importance to the region is seen in the spin-off effect they have on other concerns. A third of their supplies came from other companies in the region and a further 30 per cent from within the UK.

When asked whether the North of England had proved to be a suitable location for their current operations only one said no.

Sizewell B savings estimates reduced

BY MAURICE SAMUELSON

THE CENTRAL Electricity Generating Board (CEGB) is believed to have scaled down by £320m the amount of money which it claims would be saved by using its proposed Sizewell B nuclear power station on the Suffolk coast instead of conventionally powered stations.

The board originally estimated that its proposed pressurised water reactor (PWR) would produce a net saving at March 1982 prices of more than £1.55bn over its lifetime through reduced usage of conventional fossil fuel power stations.

It has now lowered its estimated saving to £1.23bn, because of several factors, including the 21 months delay in the planned commissioning date caused by the length of the public inquiry over its application.

Some of its other estimates appear to have been made as a direct result of objections which have been heard at the public inquiry.

The inquiry, which began at The Maltings, Snape, Suffolk, at the beginning of the year, is expected to continue until next autumn.

Nevertheless, the board is sticking to its basic case for building its first PWR. In the next phases of the inquiry it will sustain its claim that further development of nuclear power is essential if electricity prices are ever to be reduced in real terms.

It still insists that PWRs would reduce the electricity industry's vulnerability to short-term interruptions in coal supply or higher coal prices.

Among other main reasons for the lower estimate of the savings from Sizewell B is a greater estimate of the amount of electricity which the board will import from the Scottish electricity industry, as well as from France through the cross-Channel link now under construction.

The board has not retreated, however, from its claim that it can build a PWR for £117bn at March 1982 prices.

The board also continues to emphasise that it can build Sizewell B in 90 months.

Coal-fired plant 'would bring greater benefits'

BY PHILIP STEPHENS

A GROUP of Cambridge University economists has attacked the Central Electricity Generating Board's plan to build the Sizewell B nuclear power station on the Suffolk Coast, and argues that a coal-fired plant would bring much wider benefits for the economy.

In a study published by the University's Department of Applied Economics, the group says that the CEGB has taken far too narrow a view of the economic impact of its decision to build the nuclear station.

The Cambridge economists say the CEGB has based its proposals on the view that the station will provide cheaper electricity than a comparably-sized coal fired station, despite much higher initial capital investment.

But, the study argues, the CEGB has ignored the knock-on effects of the choice on employment, the balance of payments and the national income.

While Sizewell B would provide cheaper electricity after 1992, up to 8,000 jobs will be lost if the inquiry rules in favour of the nuclear plant, with the coal industry hardest hit.

The group says that it would cause a net deterioration in the balance of payments and a fall in national income.

"The benefit to industry from slightly lower electricity prices would do hardly anything to mop up the additional unemployment, because the effect on overall industrial costs and thus international competitiveness would be so small."

The economists add that the CEGB may have been over-optimistic in its estimates of the cost and performance of the Sizewell PWR, particularly in view of the heavy overruns in earlier nuclear programmes.

The Economic Consequences of the Sizewell B Nuclear Power Station, Department of Applied Economics, Sidgwick Avenue, Cambridge CB3, price £2.85.

Eschaffier takes risk on Aveling Barford

By Ian Rodger

MR ADRIEN ESCHAFFIER, the American businessman who has bought the Aveling Barford construction equipment company from BL for an undisclosed cash sum, appears to be a very brave man.

The construction equipment industry worldwide is deeply depressed and the prospects for independent companies with limited product lines do not look bright.

Aveling Barford, for example, may have good product lines, but it does not have the economics of scale of its large U.S. and European competitors, such as Caterpillar, Euclid and Volvo, and has had great difficulty coping with the sharp drop in demand in the past five years.

In dump trucks, for example, one of its main lines, the company has maintained its 20 per cent UK market share, but unit sales have fallen 24 per cent since 1978 to only 42 units.

In wheeled loaders, it has fared even less well because of an increase in the number of competitors in the UK market. Its unit sales have fallen from 63 in 1978 to only 16 last year, 3.5 per cent of the market.

There have been rumours that Mr Eschaffier, who since 1978 has been an attorney-consultant in Philadelphia, was acting on behalf of a North American company already active in the construction equipment business, but sources close to Aveling Barford insist that he was buying the company for himself.

As president of the natural resources group of the U.S. conglomerate, Gulf & Western, from 1974 to 1978, he was responsible for a number of mines, and he is expected to try to increase Aveling product sales to the U.S. mining industry.

He may also see an opportunity arising from the collapse of the West German IBH construction equipment manufacturing group and, in particular, the attempt by its big U.S. subsidiary, Terex, to reorganise itself under Chapter 11 bankruptcy proceedings.

Another factor working in favour of a UK-based manufacturer supplying the U.S. market is the current weakness of sterling against the U.S. dollar.

In his statement Mr Eschaffier said: "I am particularly keen to seek out new export opportunities in North America where, I firmly believe, our products will stand up to the toughest competition from the big multi-national companies in the world construction industry."

Although Aveling makes about 60 per cent of its sales in overseas markets, its presence in North America is very limited.

From volume car manufacturer BL's point of view, the sale of Aveling Barford brings to a final conclusion a very unsuccessful venture into the construction equipment business.

Sharp increase in gilt-edged sales

BY ANDREW TAYLOR

NET INVESTMENT in public sector securities by insurance companies and self-administered pension funds rose sharply in the three months to the end of September reflecting continuing government efforts to raise finance through gilt-edged sales.

In the first nine months of this year, institutional investment in public sector securities totalled almost £4.1bn compared with £2.4bn at the same stage in 1982.

Net investment by institutions in public securities of £1.87bn in the three months to the end of September was £729m more than in the third quarter of 1982.

Although higher purchases of government stock occurred total net investment by insurance companies and pension funds slipped slightly in the third quarter, compared with the previous three months and the corresponding quarter in 1982.

Total net investment by institutions during the third quarter was £3.34bn compared with £3.48bn in the corresponding three months last year.

Lower investment in overseas equities and UK property accounted for a large part of the fallback.

Investment in commercial property, particularly by pension funds, has fallen by almost a third in the first nine months of this year as institutions have become more selective in their purchases against the background of sluggish rental growth.

Institutional investment in overseas equities – which had risen sharply earlier this year – on pre-election fears that a Labour Government might possibly be returned to office – has subsequently fallen. Net investment of £410m in overseas companies in the third quarter was £242m less than in the corresponding period last year.

Nevertheless, in the first nine months of 1983, investment in overseas equities of £1.97bn was £77m higher than in the first nine months of 1982.

THE WEEK IN THE COURTS

'Forum shopping' for English justice

AS A GENERAL proposition, a non-Briton who can establish jurisdiction against another foreigner by any method recognised by English law, cannot be turned away by the English courts, so long as he genuinely thinks that it will be to his advantage to come to the courts in England, and he is not acting either oppressively or vexatiously.

Neither the parties nor the subject matter of the dispute need have any connection with England. There may be proceedings on the same dispute already taking place outside the UK, which may obviously be the more appropriate forum. The defendant may have to suffer great expense and inconvenience in being brought before the English courts. Never mind, the non-UK (as much as the English) plaintiff is entitled to obtain the ruling of the English court.

This very English rule was characteristically described by Lord Denning in terms bordering on jingoism when he said, "you may call this 'forum shopping' if you please, but if the forum is England, it is a good place to shop in, both for the quality of the goods and the speed of service." As Lord Reid in the same case said, that was all very well when inhabitants of this island felt an innate superiority over those unfortunate enough to belong to other nations.

Since then the courts have moved away from the insular doctrine and, while not wholly adopting the policy of deciding which of two or more jurisdictions is the more convenient (which most other foreign courts adopt) the decisions reached differ more in theoretical approach than in practical substance. A recent Admiralty action demonstrates the movement away from the traditional approach towards an acknowledgement that all courts of the civilised world are equal in the eyes of English judges.

In the case of *The Abidin Daver*, a Cuban vessel, *Las Mercedes*, collided with the Turkish vessel *Abidin Daver* when the two encountered high winds and strong tidal streams at sea in the Bosphorus in March 1982. After the collision, the Cuban vessel was arrested in Turkish waters at the suit of the owners of the Turkish vessel with a view to bringing proceedings in the Turkish courts.

Nothing further happened for a couple of months until the Turkish owners, in the ordinary course of their business, ordered a sister ship to go to England.

Upon arrival in England, she was arrested by the Cuban shipowners with a view to starting a second action, in which the Cubans would be the plaintiffs, claiming damages for the collision, on the basis that the Turks were at fault.

The Turks, not unnaturally, applied to the English court for a stay of the proceedings, on the ground that there was another forum to whose jurisdiction they were amenable – namely the Sariyer District Court at Buyukdere in Turkey – in which justice could be done between the parties at substantially less inconvenience and expense.

The Turks went on to assert that a stay of the action in England would not deprive the Cubans of any legitimate personal or juridical advantage available to them in England.

Mr Justice Sheen was clearly of the opinion that the existence of the extant proceedings in the Turkish court tipped the scales in favour of halting parallel proceedings in England. In short, he was deciding against "forum shopping."

When the case came to the Court of Appeal, the decision of Mr Justice Sheen was reversed, mainly on the basis that the judge had put too much emphasis on the prior Turkish proceedings in weighing up all the relevant factors.

The Master of the Rolls was quick to dispel any notion that he and his brethren were reverting to the former insular approach. He expressly avoided any comment on the relative merits of particular costs: "That must be a matter of subjective judgment which I, as a judge of an English court, and an ex-Admiralty judge, do not feel that I should make."

But he did go on to conclude that the English Admiralty Court did possess a virtue denied to foreign courts, in that it had a vast amount of international maritime experience in the field, going back over the centuries.

To avoid any misunderstanding, Sir John Donaldson added: "While I do not doubt for one moment that Turkish courts have long maritime experience I doubt very much whether it is international or extensive. That is not a criticism, and should not be taken as a criticism of the Turkish courts; it is an accident of geography.

"The English courts are situated on an island off Europe. That has led, as a matter of history, to their being involved in far more maritime disputes than Turkey or any country similarly situated." This all sounds dangerously like saying that the English courts are a better place to shop in, at least when one is considering disputes arising out of collisions at sea. It may not be casting aspersions on foreign courts, but it is to deny that in some respects foreign courts are as equal as the homespun variety.

Recently, the House of Lords (which itself gave leave to appeal) heard the appeal, and by not calling on the appellant to reply to his opponent's arguments has indicated that the decision of Mr Justice Sheen will be restored. The reasons why the House of Lords has so decided will appear early in the new year. The judgments are likely to dispel once and for all the notion that as between courts of civilised nations, there is to be any favouritism, except the factors that operate to provide advantages or disadvantages to the disputants seeking to litigate in either or both courts.

Where then does the law stand today? The effect of a series of decisions of the courts – at least three of them in the House of Lords itself – is that, although "forum-shopping" is generally regarded as undesirable, it still is the law that a mere balance of convenience is an insufficient ground for turning the plaintiff away from proceeding in the English courts, so long as the action is otherwise properly brought. A stay of the English action will, however, be granted if continuance of the proceedings would cause injustice to the defendant and a stay will not cause injustice to the plaintiff. Spelling out the two conditions, the courts must be satisfied about two conditions, one positive, the other negative.

The defendant must satisfy the court that there is another forum abroad to whose jurisdiction he is amenable and in which justice can be done between the parties at substantially less inconvenience or expense. The negative condition is that the proposed stay will not deprive the plaintiff of a legitimate personal or juridical advantage which would be available to him if he is allowed to invoke the jurisdiction of the English court.

The net effect of that reformulation of the English approach is not very far removed from the idea that courts should decide which of two jurisdictions is the more convenient to try the issues between parties to a dispute, nationality being only one among a number of factors to be weighed in the balance. Thus, and thus only will internationalism prevail in the field of litigation. Courts are as much open to all reasonable litigants as are the high seas.

Justinian

UK NEWS

Union membership still slipping but less sharply

BY PHILIP BASSETT AND DAVID BRINDLE

MEMBERSHIP of Britain's trade unions is continuing to fall, according to a Financial Times survey, although the sharp decline of the past three years may now be slowing down.

The survey confirms the expectation of the Trades Union Congress (TUC) that its affiliated membership will fall to around 10m, or nearly 50 per cent of the workforce, by the end of this year. While some of the falls in union numbers have been less marked than in previous years, the FT survey suggests that total TUC numbers are now below 10m for the first time since 1971.

As the basis for the payment of its affiliation fees, and now of the number of seats held by individual unions nn the TUC's general council, the TUC takes a "snapshot" of union memhership levels at the end nf December which are traditionally used as the basis for annual comparisoos on changes in union sizes.

The TUC's right wing will lose one of its automatic seats on the general council, according to the latest union membership figures – and the loss of a second is halanced oo a knife edge.

Unemployment has pushed the total membership of the engineering section of the right-wing Amalgamated Union of Engineering Workers to below 1m for the first time since 1963.

Under TUC rules, seats nn the general council are automatically held hy unions with more than 100,000 members. A sliding scale then applies to larger unions.

Another right-led union, the Association of Professinnal, Clerical and Computer Staffs, is also in danger of losing its single automatic general council seat.

The full TUC statistics are unavailable until about June, however, so the FT's annual survey, while less complete, gives a clear indication of how uninns have been faring over the past 12 months.

Recession and consequent unemployment have continued to wreak damage on union membership. The continuing decline in the demand fnr steel, for instance, has been translated into an 11 per cent cut in the size of the largest steel union, the Iron and Steel Trades Confederation, down by 10,500 from 95,493 to about 85,000.

Textiles have also continued to be hit. The Tailors and Garment Workers' Union is down by 1,299, or 1.7 per cent, from 76,785 to 75,486; the Hosiery Workers' Union by 2,012, or 3.5 per cent, from 57,105 to 55,093; and the Amalgamated Textile Workers' Uoioo down by 4,054, or a massive 20.7 per cent, from 19,500 to 15,446.

This is principally because twn sections nf the union have decided to merge with the Transport and General Workers' Union (TGWU), while the majority of the union is in merger talks with the General, Municipal and Boilermakers' Uninn (GMBU).

Mergers have been a complicating factor throughnut the year which make some unioo figures look more impressive than in fact they are.

Last year, membership of the TGWU stood at just over 1.5m. The last figure reported to the TGWU's general executive committee was 1,555,230. This year, however, the TGWU's figures include for the first time the nld Dyers' and Bleachers' Union (last figure, 59,968) and the old Farmworkers' Union (70,000). Stripped out of the TGWU's overall figure, these put it now at about 1.42m – a "real" loss nf about 5.1 per cent, nr nearly 78,000 members.

Some unions have managed to retain real growth – though they are few. The Banking, Insurance and Finance Union now claims 155,428 members, 3,443 nr 2.3 per cent up

Print union faces new trouble

BY DAVID BRINDLE, LABOUR STAFF

THE National Graphical Association, the leading print craft union, is facing serious unrest among its members at the Wolverhampton Express and Star, one of the UK's most technologically advanced provincial newspapers.

Members of the print unioo in the paper's composing room chapel (office hranch) – where jobs are under direct threat from computerised typesetting techniques – have ousted their leader, a member of the NGA's natioaal council, and circulated a statemeot ooting growing reseotment towards the union and blamiog this on policies decided at national level.

One such policy was the proposed 24-hour national printing strike called by the NGA to further its dispnte over the closed shop (compulsory uninn membership) at the Stockport Messenger. Before the strike plan was suspeoded, the Wolverhampton chapel voted to work normally, in defiance of any natinnal union instruction.

It is believed that some members of the chapel have approached the management to seek reassurance that their jobs would be secure should they face the loss of their NGA cards.

The Wolverhamptoo Express and Star was the first provincial evening paper to introduce an "electrooic newsroom" hy agreemeot with the unions. Journalists use visual display units to write their stories, but the copy is then printed out for NGA members in the composing room to re-key into the production computer.

The role of the printers could now easily be hy-passed: indeed, management produced a paper every day except one during the 1980 NGA dispute when union members at Wolverhamptoo were suspended.

Unrest in the prioters' ranks centres on the fear that the union will involve them in a dispute which management will use as an opportunity to dismiss them. One said: "Some think their jobs are safer if they side with management rather than with the union."

If the NGA were to lose its 100 per cent membership in the Wolverhampton chapel, it would be a major body blow to the unioo's plans to dictate the pace of the introduction of new technology in the provincial and national press.

TUC calls for tax evasion clampdown

Financial Times Reporter

A CALL for a clampdown on tax evaders has beeo made by the Trades Unioo Congress (TUC) in its response to the findings of the Keith Committee on the powers available to tax officials.

While welcoming the "balanced approach" of the report the TUC states its concern about the economic and social consequences of the growing black economy, which it says now pervades all social classes.

However, it notes an inequity in the Government's own position in relation to other forms of fraud: "There is, for instance, a much higber rate of prosecution of people defrauding the social security system, despite the significantly smaller sums of money involved."

British mechanical engineers recover

BY PETER BRUCE

BRITAIN's mechanical engineering industry is on the threshold of its first sustained recovery in output for more than 10 years, the Engioeering Employers' Federation (EEF) forecast yesterday. Sales volume is expected to increase by about 5 per cent between the last quarter of this year and mid-1985.

The forecast points out, however, that even with such an increase the industry's output in mid-1985 would still be lower than mid-1982 and some 14 per cent down on 1980. The rise in output, the EEF says should result from relatively slow growth in domestic sales and more rapid increases in export volume.

The federatinn says the strong export improvement of 9 per cent in the next 18 months should result chiefly from greater demand in export markets with some gains in UK cost competitiveness. It warns, however, that "there is a distinct possibility that mechanical engineering exports could develop much more weakly than indicated by our forecast" if the debt burden on developing countries is oot eased.

Although the mechanical engineering industry's trade surplus is expected to drop from £2.9bo to £1.9hn this year, with exports to the European Community falling 15 per cent, and to the rest nf Western Europe hy 23 per ceot oo a third quarter comparison, the EEF maintains that the more recent trend is for exports to increase at the expense of imports.

This pattern, the federatioo says, should continue fnllowing the rapid growth of the U.S. market and manufacturers there will be hindered by the strong dollar.

Home sales are forecast to rise nnly 3 per cent over the next 18 months. This is substantially lower than the expected increase of around 7 per cent in manufacturing investment because of pessimistic investment projections for the non-manufacturing sector.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

'Survival, we now see, is not enough'

The frontline of British industry, for some, remains a battlefield

The finance director of a medium-sized engineering company in the North-West, who first wrote on this page *on February 28*, sends another instalment. . . .

THIS year we had no choice. Either we started to make a profit or the dole queue beckoned us all. Our survival to the point where we could even consider profit has been at the expense of considerable job losses, which still go on. The economic recovery has not exactly passed us by and production volume in 1983 is likely to be 2 or 3 per cent higher than last year. This has been a big help, but, even so, far less than our own efforts to secure the future of the company.

Survival, we now see, is not enough. We have clawed our way back from the cliff edge but the ground may yet open beneath our feet. We are still very vulnerable. Defying economic logic, we have paid wage and salary increases of around 5 per cent. This is far more than we are getting in price rises for our products and is only possible through the sacrifice of those who have been made redundant, plus the slight upturn in the economy. If the economy falters, then the precipice will again loom.

We have reduced stocks of all kinds by around 75 per cent. This has brought enormous benefits to cash flow, but little or none to the manufacturing process. Extra sales of any quantity are passed straight on to the works. If the works cannot respond immediately, then customers go elsewhere. If there is any hold up in output either through machine breakdowns or industrial relations problems, there is an immediate impact on service levels. We no longer have a stock cushion to fall back on. As our customers have also reduced their stocks, the slightest upturn in demand which passes through the various stock control systems is exaggerated to big dipper proportions.

There must be a better way to service customers' demand than absolute manufacturing flexibility and the consequent high costs, but so far we have not found one. The alternative of rebuilding large finished or even semi-finished goods stock is unlikely to happen at all in the future. Our cash position will never allow it.

We are now conditioned to repeating each month the tight control over performance and cash which we thought at one time could only be applied in exceptional circumstances. If anything does go out of control, even for a short time, it could spell disaster. We are surviving with all the vulnerability of a poppy blooming at Christmas.

A further, and even more demanding objective than sheer survival is being pushed on to us. We must compete nationally and internationally if we are to prosper in the long term. While the French and Germans may not frighten us completely, the Japanese and other Far Easterners certainly do. To cope with them we need different attitudes, enhanced skills and above all new equipment. We are in a race to use our increasingly obsolescent plant to create enough profit and cash to reinvest in new technologies, before the Far Eastern competition overwhelms us. What do we need to do for ourselves and what help might we expect from others in order to win our race?

1—A creation of attitudes conducive to *successful investment*

In retrospect our survival tactics were straightforward and comparatively easy. Nothing concentrates the mind of an industrial manager more than the imminent demise of his company and his job. Successful investment, however, needs much more than the ability to reduce people and costs generally to an absolute minimum even though we must have maximum profit and cash to reinvest.

New technologies will inevitably lead to fewer jobs if a major rise in volume is not achieved. Selling this idea to unions, punch drunk with redundancies, is not easy. We have yet to convince our local staff that the alternative to new attitudes and new investment and perhaps fewer jobs, may mean no jobs at all. Their emotional response, which occasionally seems to be to get all possible cash before everything collapses, is understandable if impossibly short-sighted.

One thing that we have learned is that the long-term change in union expectations about pay and job security cannot be handled through the traditional joint consultation processes. A constant chipping away by senior management is far more important than the Personnel Manager having tea with the works convenor. As in many other activities, service function may actually get in the way of progress.

While *survival was at stake*, middle management was told what to do rather than asked to participate in decision-making. *Reducing costs and* conserving cash needed no discussion. We will now require to change from trench warfare to fighting out in the open, something our military leaders found difficult to accomplish successfully from one war to the next. We may have the same problem.

2—The outside world

If we fall over we know that no one will pick us up. We do not expect it, even though our workforce seems to take much of its expectations from the outside world, rather than our internal situation. What pay settlement Ford gives its assembly line people is important, but more significant still is what the local refuse collectors are paid. The pay rates of institutions, organisations and functions not subject to competitive pressure have been a tremendous problem to us in the past three or four years.

Institutions apparently favourable to industry seem not to redress the balance. As we complete the CBI questionnaire on outlook each month, we wonder why some of the *harsher facts of industrial life* since 1979 are glossed over in the support which the CBI gives the Government.

Of course, we would like lower interest rates, but increased economic activity, which directly influences production volume, is much more important. Our markets need to be expanding *again, after* four years in the doldrums. An increase in the inflation rate of 2 or 3 per cent would not *worry* us if the exchange rate compensated for it. We lose considerable competitive edge when it does not, and business suffers.

Keeping our use of power and other bought-in services under control is our concern but *many external costs* we have are largely in the hands of the Government. It seems at times intent on increasing them. For example, cutting the rate suport grant, only for the local council to pass the bill on to us for what they have lost, is not very helpful.

3—Cash for investment

The anguish we have gone through makes us very reluctant *to have large deals with the* banks. It rings true to us that high interest rates and currency over-valuation have been used by the Government to reduce inflation. While our ability to export profitability has been seriously diminished the banks have grown extremely prosperous by being able to charge more and more for overdrafts and loan facilities. Of course they have launched lifeboats for some companies but *only after they have been partly* responsible for sinking the ship. When the history of these times is written, the UK banking *system will surely be seen* as hindering rather than helping to keep industry alive.

Hence, we feel that, if at all possible, we should generate our own cash to enable us to re-equip. Only as a last resort would we use the banks. One thing we do is to ensure that every possible Government incentive and grant comes our way.

4—*Investment* possibilities

In the past we have diligently used discounted cash flow techniques to determine whether a proposed investment was worthwhile. Without a will to produce results, the best of techniques is useless. It now seems much better *to have* had a *simple* approach like "this project must pay for itself within one year" where managers knew that they had to succeed right from the start. The alternative of using a complicated matrix to calculate a net present value in seven years' time is not of much help.

We are aware of the various technological possibilities and alternatives — robotics, microprocessors, automation, flexible manufacturing systems, etc. These seem less important than the reasons why investment is needed. Pure short term economic considerations must dominate. We must be economically competitive. From then on the reasons for investment will be to:

Lessen delivery lead times, and improve customer service; improve flexibility; lessen the variability in product quality and improve material utilisation; get more control over the business.

The activities which most need changing are those where skill levels are low and repetition is high. We do not need earthquakes or revolutions. We have had too many of them. Change in manageable steps within a short time-scale seems the key — where good control is possible. Grandiose schemes with long term paybacks would be anathema.

We are rather sceptical of the vast amount of "information technology" which is now available. Eliminating words completely, rather than using a word processor, seems the right way round. Reorganisation to get *around the need for* "*local* area networks" is again a priority we are following.

5. *Skills acquisitions*

To some extent we are all obsolete. Business orientated engineers with degrees in electronics and specialising in computers are apparently what we need. That the world outside still seems to prefer "Ethnic Minorities Advisers (£10,539-£11,703)" and the like, suggests our search for people with the right education and experience could be long.

We would consider using the skills in local universities if they fitted in with what we want, were strongly cost-conscious, and if some of the senior personnel did not use the opportunity to maximise consultancy fees and gain a PhD at the same time. Industry is no longer a milch cow. Help *from this source* is still a strong possibility, however.

We have a sneaking feeling that we have already bought at *some* expense our most important skill — the will to succeed. If this can be allied to the ability to take some risks, so much the better.

The management of the production system on a day-to-day basis is largely in the hands of first-line supervision. New technologies will have greater impact on them than on any other part of the organisation. Technical competence and man management skills do not always sit easily together. If their jobs do not have well-defined accountabilities and the associated authority to achieve them, we can only expect turbulence in our manufacturing activities. We are rethinking the role of *first-line supervision and how* it can be made more effective. If retraining has to start anywhere, it is at this organisational level.

6. Union cooperation

Our unions appear to want "*proper training and retraining*, incentives, and reasonable pay and job security." We can offer the first two but not necessarily the third. If change is going to be constant and demanding in the future, we need to develop method of consultation and payment systems which will help to promote rather than hinder change. We have briefly considered added value, sales value of production and cost improvements as the basis of payment schemes. The main drawback is getting the workforce to relate to such measurements of performance. Team based incentives seem only a start on a long road.

If our unions would like to be involved in debating—even helping to decide—some investment *decisions, then they should be* prepared to accept both the rewards and punishments of these decisions. To an extent, this *is what has already* happened. The people who have left have had to accept the ultimate of bad times. It is perhaps unfortunate that those who have retained their jobs soon appear to forget those who have gone. Redundancy is a threat which should be used sparingly. The older employees, and perhaps the least efficient, know that they can always challenge anything other than "last in first out" as a basis for redundancy.

7. Accounting

The accounting function has also had its share of redundancy and change. Cherished views on what the role of accountants should be have been altered. The function has become more shrewish, nagging the rest of the company to tip the conventional view of financial data upside down, and consider the results we would like to achieve. Then we work back and determine what revenues we need and costs we can incur if the desired results are *to be realised. This* "backward iteration" has become rechristened by line managers as "backward irritation," as accountants badger everyone into realising what results we really do need and expect.

8. The future

To start thinking about the future at all is a luxury we have not permitted ourselves for some time. It is very early in the process, but some of the projections we are making might be interesting:

- It is extremely unlikely that our workforce will grow to any degree in the *next* three to five years.
- While we may not create more jobs we will have to struggle extremely hard to maintain even current employment levels.
- Any economic recovery is *only* a *bonus to our own* efforts.
- To succeed at all, we will need to achieve levels of skill, efficiency and dedication, which seem uncommon in the economic sectors not facing international competition.
- Largely we will have to rely on ourselves.

We still have a strong belief that manufacturing activities appear to be out of fashion. Even the new and alarming imbalance between the export and import of manufacturing goods has gone by with little national comment. *If* we fail I suppose we could all join the services sector and perhaps become investment consultants, advising clients on what Japanese shares to buy. Then what happens when North Sea oil runs out?

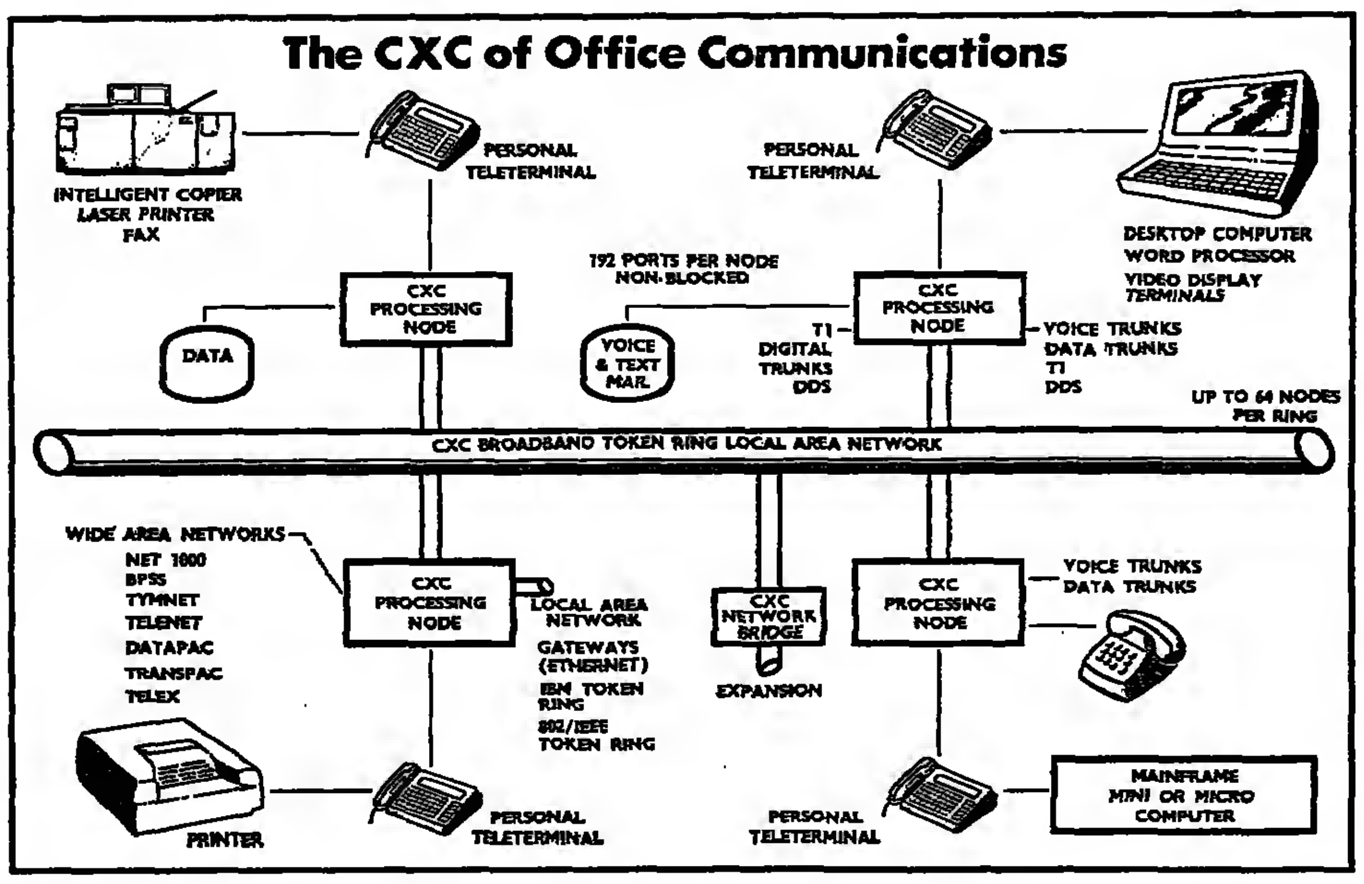
TECHNOLOGY

EDITED BY ALAN CANE

THE BRANCH EXCHANGE AND THE COMPUTER ARE SQUARING OFF FOR THE OFFICE WAR

'The telephone is the bridgehead'

BY GEOFFREY CHARLISH



MANUFACTURERS ARE drawing *their battle lines* for the first war of the electronic office —will it be based on the telephone exchange or the office computer?

"In the battle for the executive's desk, the telephone is the bridgehead," Mr C. Ellis, Technical Marketing Director of GEC Information Systems, told a conference in London recently.

He argued that executives will not spend more than three per cent of their time looking at a screen—a view which runs counter to the ideas of many computer makers who are looking for substantial profits from desk-top computer systems.

What are the arguments on each side? For years, those responsible for implementing and managing telephone communications in most *sizeable* companies—the telecommunications managers—had little or nothing to do with the data *processing* managers, *dealing* with the newer data communications systems.

What is more, the manufacturers *offering* telephone exchanges had been doing so, in some cases, for nearly 100 years. They bore little or no resemblance *to companies, often* only a year or two old, offering data transmission and switching systems.

But that began to change in the middle 1970s as it became evident that within a decade or two the communications world would become *all-digital*.

Tomorrow's systems will be able to handle speech, facsimile, television signals and any other information in just the same way as computer data —by the increasingly simple act of digitising it to make it look just like the output of a computer.

So it ought to make economic sense to integrate all the communications functions into one "box" and send them over the same wires.

But what *sort of "box?"* The views likely to be put forward by a telephone company may well conflict with those of the *computer firm*.

Mr Ellis's view is that over 85 per cent of the computer data entering and leaving the average executive workstation will carry voice. Senior managers he believes, spend 15 per cent of their office hours on the phone, but will spend only 3 per cent looking at a screen.

Within a site, GEC sees a future based on the latest exchanges with digital transmission right to the user's desk via an "integrated services local network" or ISLN.

ISLN will be the local equivalent of ISDN (integrated services digital network), a planned BT national service that will provide publicly switched digital voice and data over one pair of wires to the customers' premises; a pilot service is due to start in mid-1984.

Two levels of the local network are foreseen. One will deal with voice and still pictures. The other will cope with full moving video for video conferencing and perhaps videophone (if a market can be identified).

An indication of the trend in the U.S. was given by Bob Hawk, vice-president for planning and marketing at CXC, a two year old Californian company that has raised $23m of venture capital to enter the market from scratch with fully integrated products.

Hawk is from AT&T and the other board members are all from computer or telecoms majors. "We targeted *various* companies and individuals" said Hawk. The technical and management teams have been gleaned from Rolm, Northern Telecom, Bell Labs, IBM, Burroughs and Univac.

The CXC product, called Rose, amounts to a distributed telephone exchange, deploying proprietary VLSI (very large scale integrated circuits).

Distributed round a high capacity local area network are up to 64 "processing nodes," each in effect a very *modern* private exchange.

Each node—they might be on the various floors of a building for example—deploys what CXC calls "per line switching." This is a method, claimed to be unique, of integrating voice and data on the lines, each of which supports 192 kilobits per second in two directions. Each of the nodes can deal with 192 of these lines or ports and so it is unlikely a call will be held up. In the jargon, the switch is "non-blocking."

The switch nodes are connected in two ways. For "in-house" communication Ethernet is employed, while for the bulk data CXC has developed a proprietary broadband (high data rate) approach based on a radio frequency cable TV technology.

Connected to the network are a variety of workstations, some with displays and some without, which the company describes as "truly advanced data, text and voice workstations." Placing a data call is little different from a voice call, except that the user pushes a key marked "data."

In addition the system can support call logging (voice and data), text message transmission, voice store and forward, telex store and forward and even building security/energy management. There are, in addition, interfaces for connecting wide area networks that use international standards.

At the typical workstation the user has a telephone "dialling" keypad, a 30-key alpha numeric keyboard for text entry, an 80 character liquid crystal display and a number of function keys; six of these are "soft," that is, they do whatever the display immediately above says they do. This enables the user to be given the most appropriate choices or instructions, dependent upon his current use of the terminal.

"It is a system" claims Hawk, "that can accommodate the future whatever happens."

FIFTH GENERATION COMPUTERS

Japan installs first inference engine

BY ROY GARNER IN TOKYO

Machines which can make logical decisions or inferences will underpin research into "intelligent" devices. Japan's programme is developing quickly.

JAPAN'S INSTITUTE of new generation computer technology (ICOT), which is at the forefront of the nation's work on the "fifth generation computer," has taken delivery of the first prototype sequential inference machine marking a significant milestone in its work on "logic programming."

An ICOT spokeswoman commented that "the research environment will be incredibly enhanced" by the new Personal-sized *experimental model*, which will facilitate the implementation of logic programming on hardware and will serve as a basic tool for work on "expert systems."

The new machine is one of three which have been constructed by Mitsubishi Electric; one of the other two machines will be delivered to Fujitsu for use in software development, and Mitsubishi is expected to retain the third.

A Mitsubishi spokesman said that *the development* of the new machine is on schedule and going well, adding that the company is very interested in *marketing an improved version* at some point in the future, following its assessment by researchers in the ICOT project.

Mitsubishi developed the new prototype in just nine months, following the delivery of design specifications from ICOT in *March this year.*

The director of the ICOT project, Kazuhiro Fuchi, originally defined the development of a sequential inference machine as one of the main goals of the first three-year phase of the fifth-generation project, and in *this sense the new machine's* arrival represents a measure of firm progress in Japan's "future computer" development efforts.

CRUDE OIL RECOVERY

Dunlop's flexible pipe

DUNLOP HAS developed a flexible pipe capable of holding crude oil as it surges at high pressure and temperatures from wells under the ocean.

It claims it has done so because of the oil industry's *wish for a greater range of suppliers* of high technology flexible tubing. At present, the French-owned Coflexip company *has a near monopoly in this field.*

Called "Armaflex," the new Dunlop product has completed six months trials on two North Sea oil fields and is designed to assist the oil industry's efforts to exploit marginal fields and new fields in deeper water, where floating production platforms are being considered.

Dunlop's Grimsby-based Oil and Marine Division is spending £1.8bn on facilities to produce the pipes in lengths of 100 feet and 150 feet. Another "Armaflex" factory is being planned, in North East England or Scotland, to make continuous lengths of up to 1,000 metres for sub-sea lines.

The 100 ft lengths are already available and the 150 ft lengths will be supplied early next year, when the current bore sizes of 2 in to 6 in will be supplemented by bores of up to 10 in.

Dunlop says Armaflex is capable of carrying crude oil and drilling fluids with varying levels of gas and sulphur content an extended temperature range from —20 degrees C to 130 degrees C. It requires no special pipe coating to improve on its thermal insulation properties.

While the company is currently seeking sales in the North Sea, it is also looking at other offshore markets.

MAURICE SAMUELSON

ENVIRONMENT

Clean water in Peru

VILLAGES IN a remote part of Peru are the testing ground for a new water-purifying technique that could make life more healthy for millions of people in the developing world.

The villages, in the Andes mountains, have received hardware built in Britain that, so its *inventors claim*, makes water from rivers or lakes drinkable but requires only the minimum of maintenance.

The system's main *feature* is a mat of fabric developed by microbiologists at the University of Surrey. This sits on top of a bed of sand in a large tank, into which flows water from a source such as a river.

Impurities

Inside the tank, the sand filters impurities from the water. Crucially, the mat acts as a "host" for bacteria which are present naturally in the water and which help in the cleaning process.

In conventional sand filtration, a technique that has purified water for centuries, the material quickly becomes clogged with dirt. The sand must then be cleaned by forcing clean water through it in the reverse direction. But this removes the layer of bacteria and whoever uses the filter may then have to wait several days before the bacteria "reseed" themselves.

According to Pendar Environmental, a company in Bridgwater, Somerset that sells the hardware, as a result of the mat the system will work for years before it needs cleaning. That reduces costs and increases the reliability of the equipment, particularly in Third World countries where maintenance may be difficult.

Pendar says that a system of four tanks each containing filters will purify enough water to meet the needs of a village of about 1,500 people. Such a system costs roughly £10,000.

Television/Chris Dunkley

1983: A watershed for television

Alan Bates in An Englishman Abroad

You might argue that the really important television events of 1983 were the 1,000th edition of *Top of the Pops* in May, and the 20th anniversary of Dr *Who* in November. If more proof were still needed of the error of the claim that television is an "ephemerel" medium, these surely provided it. Technicel advances eside, *Top of the Pops* scarcely changed in all those 1,000 programmes, end even though Dr Who hes been through five incarnations since 1963 the stories are so similar thet it takes a seven-year-old faoatic to tell whether you are wetching a new episode or e repeat.

However, when we come to the year 2000 (fewer than 6,000 days to go) and look back et the history of television, we mey well see 1983 as a watershed. As history progresses, the years between the Second World War and 1983 may eppeer more and more like en anomely; the peculiar period when the only way of delivering television pictures to the home was terrestrial "broadcasting" vie wavelengths so scsrce that they were controlled directly or indirectly by government egencies.

Channel 4, which completed its first full year in 1983, will surely prove to have been the last nationwide network launched in Britain using this system. It started the yeer with just under 4.5 per cent of the eudience end ended the yeer with just over 4.5 per cent. But in November the Government announced the first 11 licences for cable television systems not limited to supplying BBC and ITV programmes. Although et the end of the year the BBC was back-pedelling furiously on its plen for direct broadcasting to the home by satellite (DBS) 1983 was elso the year when the Government promised DBS to commercial television.

Moreover, 1983 wes the yeer when the number of homes capable of arranging their own television schedules thenks to possession of a videocassette recorder (VCR) reached 92 per cent in Kuwait, 82 per cent in Panama, 63 per cent in Singapore end — more significantly since it means national ownership of some 5.75m sets—30 per cent in the UK (according to the first world survey of home video published by InterMedia in September).

In 1983 the effects of these new technologies was already dramatic. For instance, 97 per cent of feature film viewing in the UK *was being* done in the armchair in front of thte VCR, and only 3 per cent in cinema seats. Furthermore, cable, satellite and video share two characteristics which make them fundamentally different from wavelength broadcasting: they put choice into the hands of the viewer instead of the broadcaster, and they are thoroughly international.

By the end of 1983 the question whether either of these fectors was a good thing was alreedy being botly debated. Around the globe worried men in public service broadcasting organisations were warning ageinst the horrors of wbat the BBC called "wall-to-wall Dallas." This phrase could hardly be intended to condemn *Dallas*, since it was the BBC itself which imported the programme to Britain and screened it in peak viewing time to win one of its biggest audiences.

The condemnation was presumably for the anticipated "wall-to-wall" neture of cable offerings which, the public service people feared, would entice away their precious audiences by offering nothing but *Dallas* and its ilk; no serious current affeirs, no orchestral music, no mind-improving children's programmes, no religion or educetion.

As 1984 approached (the mioieture television industry exploiting Orwell's famous futurist novel started as early as August 1983 with e third-rate BBC-1 programme preaented by Walter Cronkite) the question looming with increasing insistence wes whether there would be a serious campaign to legislate for the protection of British culture sgainst the anticipated waves of Internetional admass rubbisb threetened by the new television technologies. Belief that auch barriers would be wholly contrary to Britain'a long end proud history of freedom of expression and consequent cultural heterogeneity and assimilation wes seriously sbaken in the autumn of 1983.

Egged on by a hysterical Press campaign directed against a tiny number of titles described as "video nasties," MPs started bringing in e Private Member's Bill to introduce—for the first time in the history of England—pre-censorship for material intended for use in the home. Although its very spirit was utterly at odds with the Thalcher Government's declared beliefs in individual freedom, although it was designed primarily to usurp the power of the parent and interpolate the power of the state (a fulfilment of Orwellian fears reationalised, of course, by claims to have only the best interests of children at heart) it showed all the signs of imminent success as 1983 turned ominously into 1984.

But legislation or no legislation, watershed or no watersbed, what seemed clearest at the year's end was that we had had more television than ever before made available to us in 1983 and would be offered yet more in the years to come. As to how much would be worth watching, however, a glance backwards was not encouraging.

For example, 1983 had seen the introduction of breakfast television, and not only by ITV but by the BBC which rushed onto the air a fortnight ahead of the opposition. The BBC programme was marked not so much by any "mission to explain" as Peter Jey declared for TV-am, but mostly by a mission to win the ratings war. This the BBC did with Frank Bougb in a woolly pullover introducing astrology, sport, weather forecasts, people famous for being well known, and news beedlines.

When TV-am did appear the "Famous Five"—Anna Ford, David Frost, Robert Kee, Michael Parkinson, and Angela Rippon—were quickly, quite ludicrously quickly, adjudged a disaster. Within weeks Ford and Rippon had been sacked, Jay had gone, and the management had changed beyond recognition. A cartoon character named Roland Rat was promoted in e desparate bid to see whether an appeal to children could save the day. By the year's end TV-am was reinforcing the old adage thet nobody ever went broke underestimating public taste.

Chennel 4 also swelled the hours of output in 1983. Its public reception continued to be pretty bostile and as the months passed changes occurred: *Broadside*, which had provided one half of the boasted "women's" current affairs output, sank in a see of recrimination and the other balf, *20-20 Vision*, lost its weekly slot et the end of the year though it seemed that more was to come from the same group in a different form. *The Friday Alternative* proved eltogether too elternative — more's the pity — and *Channel 4 News* was recast in a mould closer to that of the rest of ITN's programmes. C4's chief executive Jeremy Isaacs bemoaned the difficulty of finding right wing programme makers.

As to the quality of programmes rather than the quantity, 1983 waa one of the worst for a long time. There was desperately little good comedy of any description: situation, stand-up, one-off, series, serial or any other sort. BBC1's *Black Adder* starring Rowan Atkinson was en historical spoof of limited duration, though not limited enough. Jasper Carrott returned with a live series, *Carrott's Lib*, also on BBC1, and in November Channel 4 started the series *Struggle*, written by political journalist Peter Jenkins. Poking fun at a trendy left wing council which perpetually finds itself at odds with its own feather bedded workforce it did at least prick the skins of a few sacred cows. There was, however, nothing really new in comedy, nothing truly brave.

Practically all the good documentary series were about warfare: *The Spanish Civil War* and *Vietnam: A Television History* on Channel 4, and *The Poras* from BBC1. *Orchestra* from BBC1 in April proved what we had previously only suspected: that Jane Glover can combine enthusiasm and explanation in such a way as greatly to enhance the subject, a knack possessed by Clark and Bronowski and still best exemplified by Attenborough.

American "mini-series" flopped across the Atlantic in ever larger lumps, most of them more exhausting than exhiliarating.. *Masada, The Blue And The Grey* and *The Winds Of Wor* all contained considerable longuers. The best "American" series, *Kennedy*, was made by Central TV, e British company.

The rest of Britain'a television drame was, for the umpteenth yeer, more impressive in serials than in single productions though late in the year the BBC gave us two marvellous single dramas within a week: *An Englishman Abroad* directed by John Schlesinger and *The Blue Dress* directed by Peter Hammond.

The better serials were BBC1's *The Citadel* with Ben Cross as e campaigning and then a cynical doctor; Anglia's detective story *Death Of An Expert Witness*; Thames's amoral but slick *Widows*; *Confessions of Felix Krul* end *The Nation'a Health*, both on Channel 4, the first sexy and the second single minded in its opposition to conventional medicine: *Rumpole Of The Bailey* from Thames; BBC's excellent Molly Keane adaptation *Good Behaviour*; and BBC1'a downbeat thriller *Spyship*.

The sole variety series worth mentioning was *Live From Her Mojesty's*, presented for Thames by Jimmy Tarbuck.

But there are three BBC factual programmes which should go on record: *People and Power*, a promising series about politics which disappeared almost as soon as it was launched thanks to the BBC's internal logistics; *Out of Court*, which made current stories about the law fascinating; and *Rough Justice*, which actuelly began to get wrongs righted.

Had I a set of gold envelopes and some zinc stoats to dish out, my awards would go to *Newsnight* as Programme Of The Year for sticking to its last and showing that millions of people will watcb a good daily current affairs series if it is done well enough; to the BBC's *Shackleton*, for continuing in the brave, difficult and tremendously impressive tradition of drama-documentary sbot on location; and to *Quilts In Women's Lives* for exemplifying so many of the current trenda in television—feminism, pompousness, and minority appeal. Its saving grace was that in the event it was also quite interesting.

As for duds, it was a crowded year, but special mention would have to go to the ITV double of *Studio* and *No Excuses*, a couple of ghastly drama seriala designed to casb in on young people'a interest in rock music, and to the BBC's *The Cleopatras* which abowed that *The Borgias* bad really not been as bad as we all thought.

Peter Pan/Barbican

Martin Hoyle

The only English king to earn the neme of Great did it by letting cakes burn. The greatest British literary pioneer who charted the aubconscious and infant sexuality did it, unwittingly, in e children's play. Perhaps our genius is for the domestic and intimate; or, more sinisterly, there is en obsession with the fleeting golden age of childhood where the red-eyed wolvea of the mind, as seen prowling across the Barbican stage, can be put to flight more easily than the perils of reality.

"*I* don't know whether you have ever seen a map of a person's mind," wrote J. M. Barrie precisely when Freud was trying to mark out sucb territories. His Neverland—a misnomer for the perpetual inner lendscape we carry round with us always—contained "murder and hsngings . . . and chocolate pndding days." Knowledge of Barrie's emotional stunting in his ettempt to replace his dead 13-year-old brother is not necessary for one to realise thet this is a tragedy; not ebout the loss of innocence but ehout its retention, which can be even sadder.

Barrie saw his immortal child as a threat to normality. "There never was a happier family. . . until the coming of Peter Pan," he warns us in the person of Edward Petherbridge (at times aounding more like a native of Tannochbrae than Thrums), tbough the Edwardian andience was bappily unaware of the Oedipal overtones of father as villian to be killed and the combining of Wendy's mother-wife functions.

Even the return to London from Neverland sees the desperete continuetion of fantasy

I hasten to add the children loved it. Tinker Bell's medicinal ripple became a tbunderous ovation and Peter's lament was accompanied by sobs from at least one young member of the audience.

Mark Rylance handles the name part with sugar-tongs: be should enjoy it more. Stephen Moore plays the Hook-Father double entirely for laughs, with little bint of menece, end Ksty Behean's Wendy is shrilly bossy when not sounding like e *Jackanory* presenter—the RSC are right to tone down the tweeness, but the central couple emerge as charmless.

Wendy's bedtime story to the lost boys slithers into Mabel Lucy Attwell cutenes, from which Michael Fitzgerald's Slightly, the right mixtura of the vulnerable and the truculent, is beautifully exempt. (How aufferable the young Noel Coward must have made the part!)

The whole of John Celrd's production—John Napier's revolving dreamworld lit by David Hersey—is greater than its parts. The RSC are right to treasure it: if the play were by Maeterlinck it would be considered a masterpiece.

Cinderella/Covent Garden

Clement Crisp

Among the inevitabilities of the season — log-jams of urban traffic and tuneless pipings at the door about King Wenceslas — let us number *Cinderella* with the better things, especially with Antoinette Sibley and Anthony Dowell at its balletic heart. The revival at the Opera House of Ashton'a happy version looked well-prepared; the Prokofiev score was as magical as ever in buoying the tale on a sea of melody; ecstatic children in the audience were clearly seeing every fairy-tale image come true. One little girl wes so bewitcbed by Miss Sibley's dancing that she wandered down an aisle for a closer look, and I salute ber as an infant critic, for this was the real delight of the evening.

With each succeeding season Miss Sibley's portrayal seems truer, more sincere, more radiantly touching in drama and dancing. There is an irresistible combinetion of tenderness and gaiety in ber first scene in the kitchen which culminetes in a statement of the solo with the broom that rejoices in showing the nuances and tiny accents of the variation: it is dancing of the sweetness, happiest authority. And in it, as throughout the evening, the lovely clarity of a unique classic stylist asserts the very best qualities of the English manner—an unstressed bravura, a lyricism that is not unduly modest but understands the exact limit[...] the dance's range. In its pu[...] of tone, in the admirable p[...]ing end spacing of effects [...] the ball-room solo and the [...] de deux, it is easy, noble, [...] always beguilingly musical.

Dancing of such fresbn[...] merits and receives in this p[...]formance, its ideal response[...] Anthony Dowell's Prince, ha[...] some in bearing as in techniq[...] It sets standerds which w[...] also to be admired in [...] appearance of the season fai[...] —Karen Paisey, Genesia Ros[...] Wendy Ellis (superbly prec[...] as Autumn) and Pippe Wyld[...] and in the cherm of Deir[...] Eyden's Fairy Godmotber.

A problem remains, as [...] several years past. In the p[...]sentation of the Ugly Siste[...] Derek Rencher end Mich[...] Coleman are assured artists [...] other roles, but the wild lo[...] which sustained Ashton a[...] Helpmann's characterisatio[...] is long gone. Mr Colemen pla[...] the "Ashton" sister as [...] myopic white mouse; Mr Re[...]cher flares and flaunts rath[...] less blatantly this season. [...] at no time could I believe [...] them (as I believed in t[...] originel csst) es grotesqu[...] rooted in any emotionel reali[...] whose affectations we[...] genuinely comic becau[...] genuinely felt. If the siste[...] are to claim their significe[...] part in the drametic action th[...] need to be re-thought end r[...]dressed.

Hi-De-Hi/Victoria Palace

Chris Dunkley

This Christmas show is not a pantomime and unlike some other non-pantomimes it does not pretend to be one. There is no dame, no principal boy, and no triumph of good over evil. More significantly there is precticaliy no plot. Whst is happening at the Victoria Palsce is less a drama than e social phenomenon: the ideal reviewer wnuld be somebody from New Society seated on the stage and watching the audience. This is a celebration of television fame.

For readers just heck from darkest Africa it should be explained thet Hi-De-Hi is BBC Television's popular comedy series about a 1950s holiday camp, written by Jimmy Perry and David Croft, the team who previously invented those other nostalgic series Dad's Army and It Ain't Half Hot Mum. It stars Simon Cadell as archeology professor Jeffrey Fairbrother slumming it as entertainments officer at Maplins Camp; Ruth Medoc as chief Yellowcoat, Gladys Pugh a passionete Welsb girl who gets about nine vowels into "Pugh" and wbo falls desperately for Jeffrey; Paul Shane as Ted Bovis the rough diamond stand-up comic; and Su Pollard as Peggy the chalet maid wtih stars in her eyes who dreams of becoming a Yellowcoat. This season the series has been watched by about 10m viewers.

Now they are offered the chance to see these characters in the flesh, and clearly a large number are delighted to accept. Thus the keynote of the evening is familiarity and to this extent the atmosphere is not unlike that of pantomime: only too happy to co-operate in the fiction of being "campers" the first night audience responded to Paul Shane's very first shout of "Hi de hi!" with a roof-raising "Ho de ho!"

Furthermore, every foible and failing of every character — Peggy's pathos, Ted's trickery, Jeffery's ivory tower naivety — seized on with delight by an audience well programmed before entering the theatre to supply the requisite responses. The relationship between cast and audience is like that in a music hall full of regulars.

This being so it will probably be unimportant to most customers that the stagi[ng] while it glitters is whol[ly] unambitious (a single truck fo[r] an office set which is wheele[d] on and off in front of the har[d] working band who spend th[e] evening on stage) and that th[e] writing and plotting is lack[ing] lustre to the point of lazines[s]. The cast, including guest Be[n] Warriss, toils vigorously enoug[h] but two of the big productio[n] numbers consist solely of bringing each familiar character o[n] stage in an outrageous costume and then getting them off again. The shame is that Perry and Croft's television plots are often impressive. Here only three o[r] four minutes in a sketch abou[t] snatching blackmail photographs metches their inventiveness on screen.

Dash/Dominion

Malcolm Rutherford

There is a great deal of pleasure to be derived from Wayne Sleep's *Dash* at the Dominion. Anyone who likes dance, theatre, spectacle, and the use of lighting should go and see it.

To give only one example: there is a superb vignette of John McEnroe. "Hete, hate," he says as he begins to serve. Then he turns to balletics as he begins to win. And tennis, in a way, is very like ballet.

It is the connection between dance, music and other activities that modern dance is all abont. Yet the explosion that could occur if all the elements were properly put together has yet to come.

At *Dash* one was irresistibly reminded of Bob Fosse'a *Dancin'* at Drury Lane. At times it seemed almost the same show. There is a similar resort to tap dancing, indeed to almost all forms of dancing previously known. What is lacking is any successful attempt to put it sll together into a sustained piece wbere one act follows from another.

Old memoriea come back: Fred Astaire, the use of electronic tennis in an early Alan Ayckbourn play, the thrill of first seeing *West Side Story*. Wayne Sleep draws heavily on classical ballet as well. There is also the new technology in the use of television screens and clever lighting on atage. Bnt in the end it is nostalgia rather than innovation that prevails.

Sleep's is a curious story. He began at the Royal Ballet, then left, possibly he was not tall enough to become (say) a Nuryev, though in fact his classical technique is brilliant and there is one stunning performance at the finale. Subsequently he sought to popularise ballet, or dance as it is now called.

There seems to me to be one fallacy here and one good idea. Classical ballet always was popular with most of the people who had opportunities to see it. There just wasn't, and isn't, enough of it to go round. It is not necessary to be modern to be widely appreciated.

The good idea is thet at some stage dance must develop. It must be possible for someone to produce a whole modern dance drama: a late 20th-century equivalent of *Swan Lake*. It hasn't happened yet. But it is remarkable how many people seem to be groping to something new. One day somebody will find the formula. Meanwhile, the attempts, like *Dash*, are enjoyable.

Eugene Onegin/Leeds

Arthur Jacobs

With such a Russophile as David Lloyd-Jones in charge, Opera North was bound to come to the production of what is now the best-known of Russian operas. Chaykovsky's *Eugene Onegin* lives through the character of Tatyana — spurned by the man to whom she pours out her girlish heart, then in ber mature years rejecting him. The composer, in giving the first performance to students in preference to over-ripe opera singers, would have loved the youthful freshness of Eilene Hannan in Tatyana's role. Reading her romantic novel in the opening scene, or writing her fatal letter of passion to the coldly correct Onegin, she approaches an ideal in looks, gestures, clear words and unaffected tone. The top notes are weak, and a greater reserve of power is needed at the climaxes, but these should come.

Graham Vick, whose production is in many respects apt and perceptive, damages the Letter Scene by ignoring that orchestral motive which represents the movement of the pen on paper. Tatyana did not, in fact, write the letter as her thoughts formed, but only during an orchestral passage towards the end; it was unconvincing.

The audience scarcely knew whether to goggle or giggle at the quotations from Pushkin's verse, which, between the scenes, appeared in wobbly projections on the drop-curtain. It was a quite gratuitous interpolation: Pusbkin's irony and his first-person narrator do not belong to the opera at all, even though bis poem is the prime source of the libretto. Mr Lloyd-Jones, conducting, unwisely paused for possible eppleuse after the supposed "big numbers"—an audience not babitueted to the opera does not respond to such prompting and, heaven knows, the opera needs none of it—the more continuous the better. The orchestra, in excellent form this season, allowed Mr Lloyd-Jones to mould the musical score with firmness and delicacy.

In the powerful accomplished baritone of Jonathan Summers, Onegin himself seemed even colder and more brutal than usual. The poet, Lensky, had suitably ardent tones in the tenor of Robin Leggate, but this was a slightly stiff portrayal. Excellent, well-defined support came from Fione Kimm as Tatyana's younger sister, Maureen Morelle as their mother, and Elizebeth Bainbridge as the old nurse. Neil Jenkins was a delightful Monsieur Triquet, with just an allowable suspicion of parody.

Arts Guide

December 23–29

Opera and Ballet

PARIS

Don Quichotte, ballet in three acts to Ludwig Minkus's music, choreography by Rudolf Nureyev after Petipa, productioo by Rudolf Nureyev. Decor and costumes by Nicholas Georgiadis, conducted by Andre Presser/John Lanchbery at the Paris Opera – Palais Garnier (266 5022).

Vive Offenbach enlivens the festive seasoo at the Opera Comique – Salle Favart (296 0611).

Nikolais Dance Theatre with Nikolais, the genius of a juggler, is preceded at 6.30pm by the Californian Jazz Tap Ensemble, full of contagious rhythm and fantasy, at the Théâtre de la Ville (274 2277).

Duke Ellington's Sophisticated Ladies – a musical by Donald McKayle and Michael Smuin at the TMP-Châtelet (233 4444).

WEST GERMANY

Berlin, Deutsche Oper: The week starts with Hänsel und Gretel produced by Filippo Sanjust. Premiering this month is a new production of Orpheus in der Unterwelt, by Götz Friedrich with a new cast. to the main parts are Julia Varady and Patricio Wise.

Hamburg, Staatsoper: There has beeo much acclaim for new productions of Ein Überlebender aus Warschau / Die Glückliche Hand / Die Jakobsleiter, shown for the first time in Hamburg. The three one-act operas are produced by Peter Mussbach and conducted by Christoph von Dohoanyi. Hänsel und Gretel is perfectly cast with Elisabeth Steiner and Yoko Kawahara in the title roles. Der Liebestrank brings together Guiseppe Taddei, Neil Shicoff and Kathleen Battle. Die Frau Ohne Schetten has Leonie Rysanek, famous for ber rendition of the empress.

ITALY

Milan, La Scala: Giselle choreographed by Giovanni Coralli and Jules Perrot with Carla Fracci, Elisebetta Terabust and Peter Schaufuss; L'Italiana in Algeri conducted by Claudio Abbado and designed by Jean-Pierre Ponnelle.

LONDON

Royal Opera, Covent Garden: Die Fledermaus, the Royal Opera's multilingual knees-up, now has at least an authentically mezzo-soprano Orlofsky (Doris Soffel) to right the balance of past stylistic indelicacies. Placido Domingo makes his British opera conducting debut; the rest of the principals are known quantities – Te Kanawa, Prey, Helchele, Luxon (240 1066).

Royal Opera House, Covent Garden: Ashton's Cinderella, with two matinee performances. (240 1066).

Sadler's Wells, Rosebery Avenue: The theatre's branch of the Royal Ballet opens a season on Thursday with Coppelia (278 8916).

Royal Festival Hall: London Festival Ballet dances the Nutcracker twice daily from Tuesday (928 3191).

NEW YORK

Metropolitan Opera (Opera House): Hansel and Gretel, with Gail Robinson as Gretel, conducted by Thomas Fulton, highlights a week that also includes Fidelio with soprano Eva Marton as Leonore; conducted by Klaus Tennstedt, Tristan und Isolde conducted by James Levine with Hildegard Behrens as Isolde and Manfred Jung as Tristan, with Samaritani's new production of Ernani. Lincoln Center (580 9830).

New York City Ballet (New York State Theatre): Month-long performances of the Nutcracker continue. Lincoln Center (870 5570).

WASHINGTON

Washington Opera (Terrace): Gian Carlo Menotti's Tha Medium and The Telephone designed by Zack Brown is staged by the composer with Sheryl Woods and Wayne Turnage in The Telephone and Nadia Pelle, Beverly Evans and Francis Menotti in The Medium, both conducted by Lorenzo Muti. Kennedy Center (254 3770).

American Ballet Theatre (Opera House): The Baryshnikov Cinderella, choreographed with Peter Anastos, features lavish costumes and sets by Santo Loquasto in this, its world premiere. Kennedy Center (254 3770).

Music

LONDON

Gilbert & Sullivan Gala with the London Concert Orchestra conducted by Fraser Goulding with Ann James, soprano, Doreen Walker, mezzo-soprano, Graeme Matheson-Bruce, tenor, Martin McEvoy, baritone and Kenneth Sandford, bass-baritone. Barbican Hall (Mon). (638 8891).

Royal Philharmonic Orchestra conducted by James Blair with Stephen Hough, piano. Rossini, Handel, Grieg and Beethoven. Barbican Hall (Tue).

The Parlour Quartet Victorian Christmas treats performed in costume by Maureen Koetch, soprano, Angela Vernon Bates, mezzosoprano, Robert Carpenter Turner, baritone, and Kenneth Barclay, piano.

NEW YORK

New York Philharmonic (Avery Fisher Hall) Kurt Sanderling conducting, Shlomo Mintz violin. Moussorgsky, Shostakovich, Prokofiev, Schubert (Thur) Lincoln Center (874 2424).

New York String Orchestra (Carnegie Hall) Alexander Schneider conducting, Isaac Stern violin, Yo Yo Ma, cello. Brahms, Beethoven (Thur) (247 7459).

WASHINGTON

Concert Hall: New York String Orchestra. Alexander Schneider conducting. Vivaldi, Beethoven, Brahms (Mon). Kennedy Center (254 3776).

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Wednesday December 28 1983

Conglomerates in the City

..Y YEARS after the UK's ..ndary banking crisis, ..ncial conglomerates are ..n becoming respectable in .. City of London. Mr Alex ..rcher, Minister at the ..artment of Trade and ..ustry with special responsi..ities for City affairs, has said .. the separation of financial ..itutions in their present ..n has probably had its day, .. that there is a need for ..e conglomerates. The Bank .. England, in its latest ..rterly bulletin, has also ..ken favourably of a trend ..ards "new associations with ..ancial intermediaries or ..itutions, straddling the con..tional boundaries between ..erent financial activities."

..The main argument in favour .. such a development is the ..r that in a period of much ..reased international com..tition, the British securities ..lustry will be swamped by .. giant U.S. and Japanese ..ms unless large pools of ..mestic capital can be put ..gether through mergers. ..ere is indeed little doubt ..at capital strength is going .. be increasingly important in ..e years ahead.

..rong position

..In a world where jobbers and ..okers are no longer separated ..to different firms and commis..ons are negotiated, the ..curities house that is willing .. take large lines of stock on .. its own books will have a ..g advantage when it comes .. competing for transactions. ..n issuing house will have a ..milar edge if it can make an ..stant decision to bid for ..usiness. Even on the merger ..od acquisition side, an invest..ent bank that is able to ..ommit its own funds to sup..ort its client in a battle should ..e in a strong position relative ..o a rival that cannot.

But there is a risk of going ..oo far in the vogue for finan..ial supermarkets. The City's ..rim experiences 10 years ago ..howed that diversity did not ..ecessarily mean strength. More ..han one sound financial con..ern was threatened with ..isaster as the result of an ..nwise diversification into a ..eposit taking business. The ..econdary banking crash also ..emonstrated the conflicts of interest which can arise when different types of financial intermediary merge together. The Government's present view is that self-regulation will continue to be viable in the new world which it envisages, but it is possible that a much increased level of statutory regulation will be needed to protect the investor, and especially the depositor.

Moreover there are many practical problems in blending assorted financial institutions in this way. In terms of style, structure and corporate culture, a clearing bank has very little in common with, say, a jobber. It is also very difficult to evaluate such mergers financially. For instance, should you pay a high price to buy a broker — as a means of entry into the Stock Exchange — or a low price, to reflect the maturity of the bull market and the fact that commission income is about to be slashed in some classes of business?

There are two worthwhile lessons to be learnt from Wall Street's experience in recent years. One is that the investment banking business is becoming increasingly "transactional" in nature. Instead of leaving all their affairs in the hands of one firm, corporate clients choose one to handle their commercial paper, another to look after their takeovers, a third to manage their new issues, and so on. Company treasurers are interested in seeking out the best people, rather than in one-stop shopping.

The other point to make is that the huge increase in the capital base of the U.S. investment banks in recent years has not primarily been the result of mergers. Much more important has been the large profits that they have made out of heavy trading activities in a bull market.

Although Stock Exchange members are undercapitalised by international standards, there are a number of very respectable balance sheets to be found among the clearers, the insurance companies, and the merchant banks. However these institutions are accustomed to using their net worth as a basis for expanding their lending or policy portfolios, rather than as a support for their risk taking trading activities. You will not create a Merrill-Lynch or a Goldman Sachs merely by merging one or two of them together.

A small number of City firms have expanded very rapidly by means of takeovers in recent years, and more will no doubt do so in the future. But for the majority, organic growth is likely to be a more satisfactory course than indiscriminate merger activity.

Japan: the great nudge forward

MR YASUHIRO NAKASONE, the Japanese Prime Minister, has acquitted himself better than might have been expected in the political infighting that followed the setback suffered by the Liberal Democratic Party in the elections of December 18. He has quickly put together an alliance with the New Liberal Club and a posse of independents to maintain the LDP's traditional hold on power.

On the face of it, the outside world and especially the U.S. has reason to congratulate itself on Mr Nakasone's performance. Unlike his predecessors in the premiership, Mr Nakasone has shown an awareness that Japan has a role to play in the world besides flooding it with electronic equipment. He has pleaded for a more active foreign policy and for assuming responsibility for the defence not only of the Empire itself, but of its marine approaches. He has pleaded for more liberal practices with imports into Japan.

Mr Nakasone never overstepped the bounds of caution. But what he was saying did represent quite a break with the characteristic attitudes of postwar Japan. It is, therefore, a matter of significance that Mr Nakasone chose to say it again yesterday after presenting his new Cabinet. Mr Shintaro Abe, the Foreign Minister, is one of only two Cabinet Ministers to retain his portfolio, and Mr Nakasone said he had been kept there to demonstrate that foreign policy was not changed. Moreover Mr Abe would go to Washington in January to reaffirm the importance of stable U.S.-Japanese relations.

Positive though all that may sound, judgment needs to be suspended for a while. Though Mr Nakasone has asserted his authority, there are rivals in the many factions of the LDP who are after his job. Under such circumstances, it remains to be seen whether he can impose his will. Nor is it wise to read too much into the retention of Mr Abe and Mr Nakasone's comment thereon: there were good reasons of intra-party balance for retaining Mr Abe.

Similar caution is required when assessing the LDP's attitude to its former Prime Minister, Mr Kakuei Tanaka, who has been convicted of corruption (a conviction against which he is appealing). The party leaders have been anxious to distance themselves from the person of Mr Tanaka and the offences of which he was convicted. But his faction retains a role, albeit a reduced one, in the new cabinet. Moreover, the formation of the Cabinet continues the power-broking characteristic of recent Japanese politics.

Altogether it is a moot point whether the elections were decided or even strongly influenced by the two issues that interested the outside world: the Tanaka affair and Mr Nakasone's endeavours to make Japan more sensitive to the political and commercial demands of other countries. Mr Tanaka himself and his followers did well in the elections, and the external issues played little or no role in the campaign.

Fundamental

The immediate effect of the election and its aftermath on how the Japanese see their role in the world is, therefore, likely to be limited. But to leave it at that would be to ignore a much slower but more fundamental change that has been occurring in Japanese society. The reasons for it are manifold and deep-seated.

Both the generation that was traumatised by the war and the generation that busily rebuilt the country are being displaced by younger people. To the outsider, Japan may appear a country as devoted to work, work and work as is an antheap. Some Japanese are not so sure. Complaints have begun to be made that the young are undisciplined, or that they insist on taking their full due holidays—something that was simply not done a few years ago.

Cautiously one may draw a parallel with West Germany. There, in a first phase, a people devoted most of its energies to creating wealth; but then it wanted to enjoy wealth. There a people, having been defeated at war, was reluctant to take on wider political responsibilities, but finally had to accept them, however gingerly.

LESSONS OF THE 1930s

When the debtors said no

By Anatole Kaletsky

RIO DE JANEIRO, August 30 (UP) — Official announcement that a partial moratorium had been obtained on foreign debt payments was made today by the Brazilian Government publicity bureau. The Government, it was stated, has decided to suspend temporarily foreign debt payments with the exception of two funding loans and the Coffee Loan.

THESE two sentences, which hit the world's financial markets like "a bolt from the blue," in the words of the following day's Financial Times, had certainly not occurred to Mr Thomas W. Lamont, senior director of J. P. Morgan and Co. on Friday, July 25 the year before Brazil went bust.

At 3 pm that Friday afternoon Mr Lamont, in his capacity as chairman of the International Committee of Bankers on Mexico, felt nothing but pride and satisfaction as he ushered Sr Luis Montes de Oca, the Mexican Finance Minister, into the Morgan Bank's opulent boardroom in Wall Street.

History seemed to be peering over his shoulder as he added his signature to that of the Finance Minister on the agreement which brought to a successful conclusion the biggest-ever renegotiation and settlement of a defaulting country's foreign debts. Here at last was a piece of good news which could provide a ray of hope to the financial world after a year of continuous disasters, the likes of which the world had never seen.

This hope was dimmed, but not yet extinguished, on New Year's Day five months later when the Bolivian Legation in New York issued the following statement:

'Common knowledge' has forgotten about history

"Owing to the current world-wide business depression, the general revenues of the Republic of Bolivia have been temporarily reduced to such an extent that the Republic is not in a position at this time to meet the interest obligations which became due on its external debts on January 1."

Bolivia intended "to fulfil its obligations fully and absolutely," the statement added. But it would need the indulgence of its creditors for a temporary period because of the country's exceptional dependence on exports of tin.

It seemed to be another "special case" that landed three months later on the desk of Mr Charles Mitchell, chairman of the National City Bank of New York. The plaintive letter on his desk from Peru's new Finance Minister, read (in part):

"I am addressing you with respect to the interest due April 1 next on the Peruvian National Loan. This Government took office on March 11 last, after a period of political disturbances extending over six months. It finds the Treasury bare of funds, both as a result of these political disturbances and of the economic depression which has obtained for more than a year. As a result of these conditions, for which the present Government is not responsible, it has not the capacity at this time to pay in full the service charges on the Republic's entire debt."

By the end of that summer, it was no longer possible to talk of "special cases."

In July, two months after Peru's letter, Mr Mitchell received a cable in almost identical terms from the Government of Chile. Then, a month later, on August 30, came Brazil's "bolt from the blue."

With Brazil's "temporary" moratorium, the floodgates were opened. Cables poured in from Ecuador, Colombia and Central America. Within a year only three major Latin American countries—Argentina, Venezuela and the Dominican Republic—were meeting their obligations in full. Soon Hungary, Yugoslavia, Romania, Poland and Bulgaria were also in default. Finally, even Germany blocked its foreign payments as its tough new leader—Adolf Hitler—consolidated power.

Until that last sentence, even the reader with a moderate interest in international finance might have wondered whether all these references to governments "defaulting" and "going bust" were supposed to be fact, forecast or just plain fantasy. After all, it is common knowledge today that countries cannot just "go bust." A government can always pay its debts if the nation is willing to accept temporary sacrifices. Even the most impetuous politicians realise that deliberate default can be tantamount to national economic suicide.

Sir Otto Niemeyer, of the Bank of England (left) and Mr Thomas W. Lamont, of J. P. Morgan

These fundamental truths have been proclaimed so vigorously in recent months, as Latin America and Eastern Europe have appeared to approach the brink of bankruptcy, that "common knowledge" has entirely forgotten about history—about the wave of national defaults which swept through precisely these same regions in the 1930s.

This collective amnesia about the international lending disasters of the 1930s has two possible explanations.

The sovereign defaults in Germany, Austria and other central European countries were due not to excessive commercial borrowing, but to the unsupportable burden of reparations from the First World War. The vast sums involved in these notional defaults on essentially political obligations have tended to divert attention from the sovereign defaults on purely commercial debts. Yet the commercial defaults had mounted to roughly $3bn by 1933—a huge sum in the context of a value of only $24bn for the whole of the world's trade.

Secondly, the international borrowing of the 1930s came mainly from investors in the bond markets, rather than from banks. This left the banking system less exposed to sovereign defaults and bankers themselves less preoccupied by their consequences.

But, despite this important technical difference, the parallels between the debt crises of the 1930s and the 1980s are more than just an historical curiosity.

The superficial features of the 1930's debt crisis should be familiar to anybody who has been following the events of the 1980s.

There was, of course, the geographical distribution of the defaulting nations.

From 1931 onwards the U.S. Congress (with Mr Lamont of Morgan and Mr Mitchell of National City as the first two witnesses) held indignant hearings on the bankers' "scandalous practices and abuses" in pushing loans during the 1920s on unsuspecting foreign dictators.

Commissions of international financial experts—such as Sir Otto Neimeyer of the Bank of England and Professor Edwin Kemmerer of Princeton University—were despatched from Peru to Poland by committees of bankers or by the League of Nations to restore confidence.

But even more interesting and ominous are the possible lessons for the future.

Defaults in the 1930s invariably proved much deeper, longer and more subtle than anybody had expected. Just one month before Brazil began its default on August 30, 1931, for example, Sir Otto found "that Brazil had all but turned the corner on her difficulties."

On December 18, a group of bankers told the New York Times that Mexico had "reached a stage of economic convalescence" and could expect "a period of rehabilitation which will compare favourably" with other major countries. On January 22, 1932, a special session of the Mexican Congress declared the country's agreement with the Lamont committee "a nullity" and suspended all loan payments for three years.

Misapprehensions like these stemmed partly from a curious paradox, which may also prove instructive in the 1980's debt crisis. Governments became more stubborn in their defaults precisely when their economies started *improving*.

Sir Otto and the bankers were partly right in their economic predictions about Brazil and Mexico. They were recovering by 1933—in fact Brazil's industrial production grew by 11.8 per cent a year from 1932 to 1939. But as these countries consolidated their ravaged economies and returned to political stability, their determination and ability to withstand pressure from foreign creditors grew as well. This is exactly what many Brazilians and Mexicans today expect their governments to start doing in the next year or two.

No nation in Latin America explicitly repudiated its debts, but by 1933 there was no longer any thought of "loyally complying" with external obligations, as promised in the Peruvian letter to the National City Bank in 1931. Indeed, when the Mexican President asserted publicly, in September 1933, that "the present and future financial policy of the Government does not permit of any idea of renewing service on the foreign debt," his statement did not even rate a report in the financial press.

The bond market even picked up slightly when Brazil converted its "temporary" moratorium into a permanent default by stating that it would issue newly-printed bonds for 20 and 40 years in lieu of cash interest payments.

Of course, the major debtors took liberties with their "obligations," partly because the U.S. and British Governments let them get away with it. But here is another lesson from the 1930s. The creditor governments did not unleash retaliatory trade measures against the defaulters or ostracise them from "the community of nations." On the whole, they blamed bankers for "overlending," more than the debtors for failing to pay.

The U.S. and British Governments' insouciance stemmed not just from conscience, or even political expediency, as World War Two made the preservation of alliances in Latin America paramount. Both governments also seemed to remember the lessons of previous history better than their bankers.

Since the 1820s, Latin America had defaulted en masse repeatedly. The losses of the 1930s were accepted as just the latest turn of a well-established 50-year cycle of default, followed by further massive extensions of credit. Experience had shown that lenders had only one real sanction against sovereign defaulters—cutting off new credit.

Normally, after a lengthy period of default a country would seek to re-establish its credit by offering its bondholders a "readjustment," settling their outstanding claims for a fraction of their face value. Most of the Latin American and Eastern European countries lifted their defaults like this in the 1940s and 1950s. Mexico was one of the first in 1943, when it persuaded the Lamont committee to recommend acceptance of less than $50m in settlement of more than $500m of outstanding debts.

The bondholders reluctantly agreed, *on the grounds that* some payment was better than nothing—and also because many had bought the Mexican bonds as pure speculations at knock-down prices during the country's many protracted periods of total default between 1914 and 1943.

Once an adjustment was agreed by bondholders, the stigma of default was officially expunged and the country could again start seeking credit. Mexico was allowed to borrow from the U.S. Exim Bank as early as 1942, while it was still negotiating with the bondholders, but after it had

A well-established 50-year cycle of default

settled other outstanding claims against it, following the expropriation of U.S. oil companies. Slowly but steadily, it returned to its pre-eminent position as one of the world's greatest debtors.

Nearly four decades later, in April 1981, the Mexican Government approached the sterling bond market for a loan of $50m on behalf of Pemex, the state oil company. The following sentence appeared in the prospectus:

"Full debt service has been paid when due upon all the external debt issued by the Federal Government of Mexico since the adoption of the constitution of 1917 . . ."

The prospectus did not bother to explain this enviable record. For nearly 30 years, from 1914 to 1943, Mexico had defaulted on most of its pre-1914 obligations and was therefore prevented from raising new loans on which it could commit any "fresh" defaults.

That is the sort of fine point that bankers seem willing to leave to the history books.

Men & Matters

Free kicks

The future path of the British economy does not figure high among many people's festive preoccupations — and, least of all, among those of Sir Terence Burns, chief economic adviser to the Treasury.

Burns, aged 39, is as busy as ever with his microcomputer during the holidays. But he is tackling the real issue of 1984 — will his beloved football team, Newcastle United, at last get back into the Football League first division?

Burns' obsession with football in general, and Newcastle in particular, stems from his youth in the North East where he went to school at Houghton-le-Spring.

Now he applies some of the techniques of the Treasury's economic model to football, and having constructed a mini-programme, he sits glued to televised matches, tapping in a code for each pass or shot, good or bad. The ultimate goal is to analyse what does and does not constitute a good game.

Since Channel 4 brought the more esoteric sports to British viewers, Burns has also become enraptured by American football, not least because it generates a subsidiary industry, spewing out masses of raw statistics about games.

Like Newcastle, the Treasury has had its problems since Burns was appointed in 1980. The record of Treasury public sector borrowing forecasts so far has been won 0, drawn 0, lost 2 (own goals?). There are hopes of a win in the current year, however, now that the goal posts have been moved, so to speak, by a rapid upward revision of estimate.

"Never mind what time it is —what's the date?"

Young sails

So what sort of splash is Leslie Young going to make at British Waterways when he succeeds Sir Frank Price as chairman in the summer?

Those who know Young, aged 58, the chief executive of the Liverpool-based conglomerate J. Bibby and Sons, expect him to make some waves up and down the "cut." Before he agreed to take the job he made sure that the government would save his new responsibilities from running dry by stumping up some £50m to improve canal maintenance.

He leaves his desk at Bibby next June, although he will still be non-executive chairman. And he will also give up the chairmanship of the Merseyside Development Corporation when its International Garden Festival ends in October.

Young's early managerial rise was as one of Frank Kearton's whizz kids at Courtaulds, where he eventually ended up as boss of Kayser Bondor. He says, "I was very much into ladies' underwear."

Bibby headhunted him 15 years ago when the company was close to collapse. Bibby's position today as one of Europe's more successful companies is due to Young's skills in picking good people, setting them realistic objectives, and leaving them to get on with it.

Mind you, it's tough being a Bibby manager under Young. You have to make 20 per cent on assets to avoid being fired. Significantly, he says he will be making sure that British Waterways makes maximum use of its assets. He sees leisure and waterside development as the means to that end.

Argentine return

Diplomatic relations may not have been restored yet, but the goodwill season has been marked by an influx of several hundred holidaymakers from Argentina into Britain.

Margaret Thatcher's cordial greetings to Argentina's recently-elected President, Raul Alfonsin, apparently set off a rush of visa applications. Up to 400 a week were being handled by the British interest section of the Swiss Embassy in Buenos Aires before the holiday period.

Though official, public gestures of friendship may be slower in coming and less than dramatic, the thaw seems well under way.

Our man in Buenos Aires, David Joy—a courageous survivor from the pre-war embassy—is actively campaigning for a less hawkish viewpoint in Whitehall. And across the River Plate, Britain's new ambassador to Uruguay, Richard Wallace, and his staff of 16, are keeping a close watch on developments.

Alfonsin's choice of Hugo Gobbi, under-secretary for foreign affairs, as the man to handle relations with Britain, promises closer and freer contacts. Gobbi speaks fluent English and has shown his mastery of dialogue with the Foreign Office as a UN envoy to Cyprus.

When the bon vivant Gobbi talks of the war now, it is usually only to relate of how it caught him totally unawares. News of the Falklands invasion woke him from a jet-lagged sleep in the Argentine embassy in Rome. He rushed from his bedroom, wrapped only in a towel, and collided in the corridor with the wife of the military attache. The shock, he says, was mutual.

Fire back

Sun Hung Kai, the Hong Kong banking and stockbroking group, will go up in smoke in February. It will be taking over sponsorship of the Chinese New Year fireworks display which, for the past two years, has been presented by Jardine, Matheson.

Jardine's apparently reckons the fireworks display more than it can afford in its present straitened condition; though, with an estimated half of Hong Kong's 5.5m population turning out to see the HK$1m (nearly £100,000) show, it is surely a piece of cost-effective public relations.

It is not, mind you, as though Sun Hung Kai is bulging with profits. The banking arm needed a HK$200m cash injection a couple of months ago to inoculate it against Hong Kong's anxiety-stricken financial markets.

Perhaps Sun Hung Kai's majority shareholders — Paribas, Merrill Lynch, and Fung King-Hey—believe that having got through 1983, Hong Kong deserves a chance to do some celebrating in 1984.

French polish

A lady of culture rang a coal merchant. "Would you deliver a ton of coal, s'il vous plait?" she asked.

"Yes, madam," he replied. "Would you like it a la carte or cul de sac?"

Observer

UK telephone sales

Mickey Mouse moves in

By Guy de Jonquieres

THIS CHRISTMAS, a select group of mostly affluent British consumers woke up to find a telephone under the tree. But there is still a long way to go before Britain becomes a phone-owning, as opposed to a phone-renting, democracy.

After more than two years of false starts and delays, an increasingly wide selection of officially-approved telepbones is finally starting to appear on sale in high-street shops at prices from £20 to £300 or more.

Tha choice ranges from standard British Telecom (BT) receivers (with rotary dial or push buttons) through models embellished in gilt and onyx or masquerading as Mickey Mouse, to portable cordless telephones and "feature phones" with programmahle memories, automatic re-dialling and intercom facilities.

More than 1,000 retail outlets now stock telephones in Britain and, distributors say, the phone-buying habit seems to be catching on.

The Te\nhone Box, which has four shops in London and Windsor, says that sales of the almost 30 approved models it stocks now exceed those of unapproved equipment. It expects its total sales to double to about £500,000 in its current financial year.

This is all welcome news for the Government, which launched its programme to liberalise Britain's telecommunications industry more than two years ago. Sales of telephones represent only a tiny fraction of the liberalised telecommunications market, most of which consists of husiness equipment such as telexes and private exchanges. But Ministers are well aware that the general public is most likely to judge the policy by what is available in the High Street.

The results so far can only be counted a partial success. Many telephone prices are far higher than in the U.S., where there has been competition for more than a decade, and many British suppliers seem more interested in preserving a cosy market with high margins than in going for large volume sales.

Indeed, there would be few telephones available at all if the Government had not circumvented tha long-winded independent testing and epproval procedures which it set in motion two years ago. Of the 60-odd telephones approved for competitive sale so far, almost all' have either been rammed through under an "interim" scheme hastily patched together by the Department of Trade and Industry with BT assistance, or were already in BT's own range.

Only half-a-dozen have been handled by the British Approvals Board for Telecommunications (BABT), an offshoot of the British Electro-Technical Approvals Board which is supposed lo be in charge of equipment certification. Until last October the BABT had no standards against which to test equipment because none had yet emerged from the Britisb Standards Institution (BSI), which is responsible for managing standard-writing.

The BSI/BABT procedures are considerahly stiffer than those of the DTI, whicb has used a reasonahly flexihle yardstick. They are also quite expensive. The BABT charges between £2,000 and £5,000 or more, payahle in advance, to evaluate a telepbone, plus an annual certification fee of £275.

It also insists on inspecting the factory where the product is made, making return visits every year. The basic charge in the UK is £85. But it can be as much as £2,000 for a plant in the Far East, whicb must wait its turn until the BABT'a one inspector is available to travel out there.

Mr John Vevers, director of BABT, says that it is not to blame for the scale of the charges. Indeed, the BABT is running at a loss and has bad to turn to the Government end the industry for loans of £400,000 to cover its overheads.

The Government is clearly concerned about the adequacy of the approvals mechanism. Mr John Butcher, the DTI Minister responsible for supervising liberalisation, promised more than a year ago to make an international study of testing charges. The results of his inquiry are still ewaited.

Meanwhile, his department has sought to speed things np by negotiating a bilaleral agreement which would enable equipment made in the U.S. to be tested there to British standerds, and *vice versa*. But the Foreign Office insisted that the scheme be referred to Brussels, where it seems to have become bogged down.

Part of the problem is that many of the BSI standards are much more elaborate than those in use in the U.S., where testing charges for telephones are as low as $800 and official certification is free. BSI standards for telephones are designed to ensure the safety of the user and of BT's network as well as to specify how the equipment should perform in terms of sound quality and volume levels.

Some British suppliers say that they welcome tough approval procedures because they discourage fly-by-night manufacturers. Mr David Rurka, managing director of Ace Telecom, Dixon's lelephone equipment subsidiary, helieves that demanding crileria can be justified if they limit competition and safeguard margins on DTI approved equipment.

Trevor Humphries

Phones on sale at Selfridges in London

One of the Government's problems has been trying to encourage a vigorous and varied competitive market while giving home-grown products a priority. Officials at the DTI, who sometimes seem haunted by visions of the UK market being swamped hy telephones imported from the Far East, have given a clear preference to UK manufacturers in their approvals procedures.

Nonetheless, only half the telephones which the DTI has approved are wholly made in the UK. And though some smaller British manufacturers such as Astral, Etrusca and Fidelity have enlered the market, enthusiasm elsewhere seems very patchy.

Established telecommunications manufacturers, which have low-cost mass-prodnction capacity available, say they are reluctant to commit more resources to develop and make telephones unless they are backed hy large orders from BT.

Still, demand seems set to grow. BT estimales that the number of extension telephones in homes will doubla to 5m in the next decade and that many will be purchased outright.

Moreover, BT is due late next year to lose its monopoly over the supply of first telephones to Brilain's 15.5m residential subscrihers.

THE U.S.: EVEN A PHONE THAT QUACKS

TELEPHONES in the U.S. were once so simple. They came with the rented lina in two styles, desk-top or wall, and four colours, black, white, red and a sort of mncky beige. They were heavy and if they broke—which they rarely did—the telephone company fixed them far free.

Then there was deregulation. Since 1977, a series of Federal rules has made telephone ownership in the U.S. not only permissible but virtually mandatory.

This in turn has spurred a whole new retail industry. Today, a New Yorker can buy a telephone in the local supermarket or newsagents for less than $10. In Phona City, one of the specialist retail stores, the window display features everything from a $7.99 telephone to a $750 "Designer phone" in clear crystal and chrome.

There are ET phones, phones in footballs and erotic statues, phones disguised as pots of flowers—even a plastic telephone shaped like a duck decoy that quacks instead of rings.

The latest telephones can act as intercom "babysitters," remind the owner of birthdays and appointments, check a burglar alarm system or shout "fire" for 30 seconds before calling the fire brigade with the address of the suspected inferno.

After a slow start—between 1978 and 1981 Americans bought fewer than 2m phones a year—the industry has gone into overdrive.

This year, according to John Poncelet, ITT's director of North American telephone set sales, retail buyers in the U.S. will have spent about $1.2bn on 20m telephone sets and a further $140m on 4m cordless sets, which are really a cross between the standard telephone and a walkie-talkie radio.

With 80m telephone households in the U.S. and 140m telephones—average ownership 1.75 sets per household, the vast majority of which ara still rented—the telephone makers see plenty of room for expansion.

In particular, the planned January 1 break-up of American Telepbone and Telegraph (AT & T)—or "Ma Bell" as the U.S. telecommunications giant has been known—will mark the start of a new era as far as telephone ownership is concerned.

Under the Bell system break-up the local telephone companies will cease to be responsible for existing customer equipment. This is being transferred to a new slimmed-down AT & T and no new rentals will be allowed after stocks run out. The break-up is creating such confusion that, as one equipment supplier put it, "people are terrified of the telephone company coming along on January 1 and taking the phone away."

Existing customers are being urged to buy their telephones from the phone company, while new subscribers will have to buy from AT & T, or the local telephone company if it decides to continue to supply telephones, or an independent retailer.

The manufacturers and retailers have not been slow to cash in on these new moves, helped by the natural affinity of many Americans for new gadgets and the fact that at an average price of $35 a time owning a telephone can pay for itself in 10 months.

Customers are flocking to buy equipment from suppliers: AT & T, ITT, GTE, Mitel and Northern Telecom from Canada, and Far East companies such as Nippon Electric, Oki, Hitachi, Toshiba and Sanyo.

Paul Taylor
in New York

COMPARATIVE TELEPHONE PRICES

	Britain	U.S.
Standard rotary dial telephone	£25	£14
GTE "Flip Phone"	£50	£28
"Contempra" push-button telephone	£66	£67
Mickey Mouse telephone, 15 ins high, push-button	£155	£112
Cordless telephone, push-button, last number re-dial, security device	£170	£140

NB. The prices quoted are from retail telephone shops in London and New York. British prices are for "approved" telephones end include VAT at 15 per cent. U.S. prices are for products supplied hy major North American manufacturers. They are converted at $1.42 to the pound and exclude sales tax, which varies betweeo states.

Research: Rivka Nachoma.

Lombard

Slamming the stable doors

By David Lascelles

THE AIR has been full of the sound of stable doors slamming in the wake of the LDC debt crisis. But some of the loudest noise has come from a set of doors opening: those of the grandly-named Institute of International Finance, which is getting into action in Washington.

Better known es the Ditchley Institute after the English country retreat where it was invenled, this body is supposed to be the international hankers' contribution to solving the world debt problem. (Perhaps it should have "never again" inscribed over its portals.) It stands a far greater chance of joining the ranks of well intentioned but largely ineffectual quasi-official entities that dot the shores of the Polomac.

Not that this is the fault of the institute itself, let alone of M Andre de Lattre, the French banker who bas been put in charge. Ironically, the institute'a fate could have been sealed ln advance by the banks who set it up.

The lnstitule was founded in the belief—at least among bankers—that the LDC crisis could have been averted if information about the escalating debts of countries like Mexico and Brazil had been availehle sooner. So its job will be to gather data on debtor nations, send missions lo countries which borrow heavily from banks, and generally try to shed light on international lending problems. All this sounds very worthy, except that it misses the point.

Lack of information was not the cause of the LDC crisis. There may beve been imperfections and delays in intelligence-gathering but none great enough to hring the world lo the hrink of financial disaster. In Mexico's case, for example, it was obvious as early as 1980 that it was borrowing short-term money at an alarming rate, yet banks were still making loans two years later.

The banks' shortcomings lay not in the research departments, who were sounding alarms, but in the loan departments, who were eager for husiness and who usually carry the day hecause they earn rather than spend banks' profits. As e senior economist at one of New York's largest banks—who professee to be deeply disillusioned hy the pasl two years—put it: "It'e a management problem."

It is possible, of course, that bankers' attitudes have changed since the crisis. But it is hard lo imagine the Citibanks of this world, who set the pace on international lending, seeking the counsel of the institute as to the prospects for country X and the creditworthiness of country Y. Even if they did, it presupposes that the institute could tell them something they did not know.

The LDCs have made it clear that they will not divulge confidential information to the institule (as they might lo the IMF). Why should they, since the institute's job is lo spread it ahroad?

In private, many bankers admit that the institute is a sop to public opinion. The U.S. henks in particular wanted lo appear constructive earlier this year when Congress was threatening to legislate curbs on international bank lending as the price for approving new funds for the IMF.

This is not to say the institute will be completely dismissed. If it does its job well, it should be ahle to signal trouhle in odvance and edvertise the problems of the international lending business in a way that bodies like the IMF and the Bank for International Settlements cannot. But this will be of greatest use to less sophisticated banks, who probably want to get out of international lending anyway.

The danger is that the establishment of the institute will encourage the notion that debt crises are a thing of the past. Obviously they are not. It would be much more reassuring if the banks were ready to admit that the problem lies less with the availability of information and more with the use they make of it.

Letters to the Editor

Mars: futures, calorific values, a fiduciary issue?

From Mr F. Finlay

Sir,—Re Lombard of December 16. Before Mars Bar futures can be introduced in Chicago and, hopefully, London, there is a problem to be overcome in standardising the grading of the bar's cor\ent. Experiments with eating Mars Bars in the U.S. and the UK indicate that the ingredients, as well as the size, vary worldwide. While compensation can easily be made for size in using the MB as an international currency unit, and in determining deliverable quantities, the ingredient mix presents a larger prohlem.

It is to be hoped that the Mars issuing agency will surrender the advantage this mix differential gives it in the world arbitrage market and standardise the content in the interest of establishing tha MB as the premier unit of stable currency.

F. J. A. Finlay,
E. Bailey Commodities,
Level 2, Suite 7,
World Trade Centre,
1 St Katharine's Way, E1.

From Mr P. Dennis

Sir, — Lombard's Mars Bars article (December 16) describes some of the problems of becoming an internationally acceptable medium of exchange, but fails to draw the obvious conclusions.

While the UK bar has risen from 59 to 68 grammes, why does the U.S. bar go out at 53 grammes, and Japan only 45? What effect do shipping rates have, but more importantly the calorific values? Is this why the average height and weight nf the Japanese is less than his British counterpart? Do the makers have a more ulterior motive than you are prepared to state in your columns?

Have Britons of late suffered a more arduous existence which has necessitated the increased size of our MB, without which we would be unable to work, rest, and play as intended? What are the views of the Minister of Health, Weightwatchers, etc.?

P. G. Dennis.
PO Box 153, 3-5, *King Street, Reading.*

From Mr J. Barber

Sir,—In his article "Mars Bars revisiled" (December 16) Nicholas Colchester failed to mention a recent development which may cast doubt ebout the future soundness of the "Mars Bars Standard." In common with the other 16,000 or so successful entrants to the 1984 London Marathon I have been sent a piece of paper which saya, in effect, "I promise to pay the bearer on demand the sum of two Mars Bars." The Mars issuing anthority should make it clear whether it holds 100 per cent backing for these notes or whether they represent the beginning of a Mars fiduciary issue.

J. M. Barber,
4 The Elms, Vine Road, SW13.

Take aim more accurately

From Mr C. Havergal

Sir,—To offer some comment on Samuel Brittan's informative article of December 14 may I suggest that, in spite of all the complexities of cootrol, it would be very unwise to "give up monetary targets allogether." Rather I suggest we should ettempt to clarify this very issue by probing yet more deeply into the nature of money.

Despite Mr Brittan's castigation of econometricians, I would challenge him to refute that—when speaking in absolute terms, at any given moment of any given economy — the rate and volume of money supply must he (ie, cannot avoid being) equal to the rate and volume of the supply of the goods and services purchased hy it at thet moment. Thus I maintain that the relationship of a currency unit to what it takes out of an economy positively determines the value (or market force) of that currency unit, in a somewhat similar manner in which the inevitahle relationship between mass and acceleration determines the value of physical forces.

Thus I believe that these two salient factors can be positively equated mathematically in the equation $S=QD$, where S stands for the volume of productive manhours supplied to an economy per chosen unit of time (ie, per hour, per day, or etc), D stands for the volume of the supply of currency units per the same unit of time which passes through the economy to cerry the input away, and Q is the symbol of the proportionality between them.

Were the above equation to be employed as e practical yardstick of actual econometric performance, it would, of course, be necessary to calculate and apply an appropriale manhour standard of value to the relevant currency unit; and there surely could then be doubt that, provided the rates of S and D could be effectively controlled, the purchasing power of the currency could be effectively controlled?

We all know only too well, however, that the control of elther poses some problems. Yet when the bull's eye of our target can he seen more clearly should we not concentrate upon taking aim more accuralely?

Christopher Havergal.
(Memher of The Ecooomic Research Council.)
Tower House, Woolton Hill, Newbury, Berks.

A specialist's view

From Councillor P. Hartley

Sir,—While Colin Amery, your architectural correspondent (December 19) visited one of Westminster Council's automatic puhlic conveniences (APCs) in the cause of research, around 1,000 people a day visit them for more urgent reasons.

Desplte Mr Amery's subjective view of the APCs (be obviously doesn't like them), thousands of people do, as is obvious from tha high use they get. Westminster's efforts in introducing them to Britain bave also been welcomed by such bodies as the London Tourist Board, the Society of West End Theatres and the Cleaner London Campaign.

Mr Amery suggests that "waves of them are due to replece those friendly old public lavatories where ancient attendants sit in glass cupboards keeping one eye on the customers." In fect, there are 14 APCs in nperation in Westminster at present and we plan to bave another six operating by early next year.

They are not meant to replace existing public toilets but to eugment this service which now costs Westminster's ratepayers nearly £2m annually. APCs provide a 24-hour service, which few of the old public lavatories do, while enabling savings tn be made in staff costs — which account for the biggest part of that £2m bill.

The introduction of APCs and other policies in this service is going lo save Westminster's ratepayers £750,000 a year.

Perhaps if all councils followed Westminster's policies of providing better services at less cost to the ratepayer then Mr Amery would be able to concentrate on more important architectural matters instead of indulging his subjective prejudices.

(Councillor) Peter J. Hartley
(Chairman, Environment Committee),
Westminster City Hall, Victoria Street, SW1.

Conveyancing delays

From Mr A. Roper

Sir,—Mr D. Ashton-Spencer (December 17) is incorrect when he states that I wrote a sturdy defence of legal delays in conveyancing. I merely explained them and pointed out that not only are they usually entirely outside the control of solicitors but that solicitors ere as frustrated by them as are their clients.

Mr Ashton-Spencer refers to his experience with an unqualified conveyancing organisation. May I quole my own experience with such an organisation? Not only was there a failure on the part of the organisation over weeks on end to answer straightforward letters and reminders and failure to take telephone calls, but there was also a fallure to complete the transaction on the right day. This caused my client to incur substantial financial loss in setting up a bridging loan with accommodation fee and interest to complete his interdependent purchase. My client was the innocent victim as well as their own customer (who ended np locked out in the street and having to cancel his removal arrangements). The moral is clear — the public should not deal with cut-price conveyancing organisations and for the same reason the House Buyers' Bill should not succeed. Losses or difficulties caused hy inadequate services from unqualified persons unfortunately not only affect their own customers, but can affect other people in the chain of transactions as well. I find that lt is rare that any delay is actually caused by a dilatory solicitor.

The latter from Mr P. Brown (same date) is also misconceived. The argument is essentially about qualifications which even Mr Brown appears to concede are necessary. Those qualifications in property and contract law and in various other branches of the law which can directly or indirectly affect a conveyancing transaction in many ways are not easy lo obtain. The costs of any comparahle organisation and controlling body to provide the same safeguards as at present would involve similar overheads and thus any saving in overall costs could be minimal only if Mr Brown's proposals were put into effect. Competition is already there within the realms of qualification and has been accentuated in recent years hy the very large numbers of persons qualifying in the lagal profession.

Alan D. Roper.
Court Chambers.
3, Victoria Street, St Albans, Herts.

FINANCIAL TIMES

Wednesday December 28 1983

ANDROPOV PUSHES THROUGH POLITBURO PROMOTIONS

Supreme Soviet discusses growth

BY ANTHONY ROBINSON IN LONDON

THE SUPREME SOVIET meets in Moscow today for a two-day sessioo devoted to approving what the ailing Soviet leader, Mr Yuri Andropov, bas implied will be ambitious growth targets for 1984 coupled with a drive to improve managerial efficiency and labour productivity.

Mr Andropov was again too ill to attend the two-day plenary meeting of the Communist Party Central Committee, which preceded the Supreme Soviet session. However, the pressing need to fill gaps caused by death and old age enabled him to push through three promotioos to the Politburo. the top decision-making body.

The most significant appointment was that of Mr Vitali Vorotnikov, the 57-year-old former Deputy Prime Minister of the Russian Federation who was "exiled" to Cuba as Soviet Ambassador by President Leonid Brezhnev in 1977. He was brought back by Mr Andropov and promoted to serve as Prime Minister of the Russian Federation and candidate member of the Politburo last June.

Mr Vorotnikov has been appointed a full voting member of the Politburo, together with 70-year-old Mr Mikhail Solomentsev, who was Prime Minister of the Russian Federation for 12 years until last June, wheo he took over the post of chairman of the party control commission after the death of 84-year-old Mr Arvid Pelshe.

The promotioo of Mr Vorotnikov to full Politburo status means there are now three men with the age, experience and Russian nationality required to qualify them as potential future party leaders. The other two are Mr Grigory Romanov, 60, the former Leningrad party leader, and Mr Mikhail Gorbacbev, 52, the party agricultural expert wbose duties include overall responsibility for the ecooomy and some foreign policy tasks.

The new promotions bring the Politburo's strength up to 13 members. Mr Solomentsev's place as candidate, non-voting member of the Polithuro, meanwhile, has beeo taken by General Viktor Chebrikov, bead of the KGB and a close collaborator of Mr Andropov.

However, the vacancy caused by the death of Uzbek party chief Mr Sharaf Rashidov last October has not beeo filled and the number of non-voting members remains at the low level of six.

Tbat implies that the promotions represent the minimum oecessary, rather than a wholesale influx of committed Andropov supporters to the bigher ranks. The appointment of Mr Yegor Ligacbov, the 63-year-old former party leader in the important Siberian petrochemical centre of Tomsk, as a central committee secretary, however, strengthens the practical economic and management experieoce available to the leaders.

Mr Andropov's failure to appear at the Central Committee plenum, which was postponed from the usual November date in the hope that be would bave recovered from the kidney and other ailments that have kept him out of the public eye since August 18, increases speculation that he might bave to resign, provided agreement can be reached oo his successor.

However, his speech, whicb was read out at the plenum for him, carried no hint of that and insisted on the need for greater labour discipline and increased efficiency. That was required both to build up Soviet military strength in the face of what he called the "sbarply aggravated international situatioo" caused by "aggressive imperialistic circles," and to raise living standards, he said.

● The Reagan Administratioo is reacting to Mr Andropov's continued oon-appearance with a combination of concern over the immediate future of U.S.-Soviet relations, fears that the Soviet military is assuming a greater role in decisioo-making and frank avowals of ignorance as to what is really going on, **writes Reginald Dale from Washington.**

In an interview published in the latest issue of Time magazine, Presideot Ronald Reagao says that he is worried about the receot exteot to which Soviet military leaders "are, apparently without any coaching or being briefed by the civilian part of the Government – at least there is no evidence of that – takiog it upon themselves to make statemeots, and rather bellicose statements."

Mr Reagan said: "There bas not, in the past, been evidence of too military leaders going public with attacks on the U.S. and seeming to enunciate policy on their own. We have to be aware of this and pay a little atteotion to this, to see if they have become a power on their own."

Mr Reagan said he found it bard to make a personal initiative to contact Mr Andropov at the moment because of lack of information as to where be stands in the Soviet hierarchy. He insists, bowever, that contacts are cootinuing between *Washiogton and Moscow – "we can get our views there and solicit theirs."*

State departmeot officials said they were coorerned that the apparent power vacuum in Moscow might make it less easy for the Soviet leadersbip to take important decisions on relations with the U.S., particularly on the stalled arms control negotiations between the superpowers. "We can ring the doorbell at the Kremlin," says one official, "there is nobody there to answer."

Andropov calls for big changes, Page 2

Flick may be forced to pay DM 450m back tax

By James Buchan in Bonn

FLICK, THE West German industrial group, will almost certainly bave to pay some DM 450m ($163m) in back tax after an internal investigation by the Economics Mioistry in Bonn, according to reports yesterday.

The ministry would not comment on the reports, but it is believed that the year-loog investigation bas concluded that Friedrich Flick Iodustrieverwaltung must repay tax exemptioos granted in the 1970s oo capital gains reinvested in W. R. Grace and Co., the U.S. industrial company.

The ministry's decisioo is politically significant because Count Otto Lambsdorff, the Economics Minister, and Herr Hans Friderichs, his predecessor and now chairman of Dresdner Bank, face court proceedings on suspicion of taking bribes from Flick in connection with the tax exemptions.

Dr Otto Scblecht, the state secretary at the ministry, last week accused Flick of having made "misleadiog claims" in connection with the waiviog of tax on some DM 780m realised by the company through the sale of shares in Daimler-Benz in 1975.

Under a section of the West German Foreign Investment Law whicb bas sinre been repealed, Flick was allowed to reinvest that sum tax-free in W. R. Grace. The ministry's approval was defeoded at the time as making possible the transfer of technology and was confirmed by the Fioanre Ministry and local state authorities.

Dr Schlecht said last week that officials bad approved the tax exemptions io 1976 and 1978 after "conscientious" study of the law, adding that neither economics minister had been personally involved.

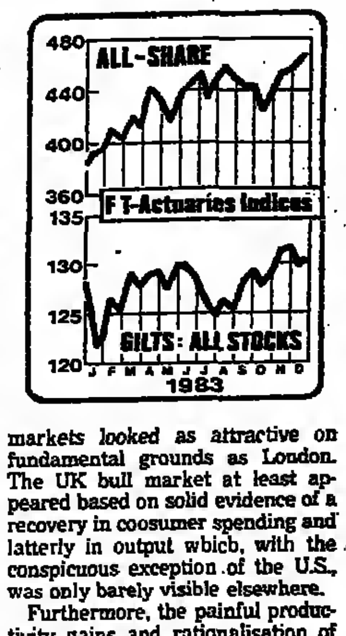
THE LEX COLUMN

A gilded year for equities

After several years of dashed hopes the UK industrial recovery has finally come good. The past year has seen corporate profits shootiog up by almost a quarter, dividend growth being restored in real terms and company liquidity rising faster than at any time for a decade.

The strength of the recovery has not only eodorsed the smouldering bull market of the previous three years, it has pushed equity values to levels which eveo the optimists of a year ago might have considered ambitious.

The FT-A All-Share Index seems set to finish the year within a wbisker of its higbest level ever, baving advanced about 23 per cent in the 12 months.



Progress has not always been easy. The volume of rights issues has tailed off in the closing months of 1983 but will still represent a record – at about £2bn – for the year as a whole. Moreover, the gilt-edged market has failed to provide the lead to the equity market which cbaracterised almost the whole of 1982.

Tbe equity market bas, however, beeo assisted by influences which no one would bave dared predict with confidence a year ago. Most surprisingly, U.S. fund managers have sprung oo London as an esoteric but attractive little market, rather as British institutions rode into Spain and Scandinavia a few years ago.

Their interest has not merely swollen the pool of capital available for equity iovestment in the London market but has highligbted discrepancies between the fairly humble ratings of some British blue chips and those of their counterparts elsewhere.

In addition, the American practice of assessing earnings on an actual, rather than a fully taxed, basis has been winning acceptance in the London market and sbedding light on some obvious anomalies of relative valuation.

Election

Just as the Americans were discovering London – its stockbrokers as well as its stocks – Britisb institutions were beginning to reach prudential ceilings on their overseas portfolios. The approach to the UK June general electioo saw a leakage of capital overseas but, as soon as the extent of the Conservative victory at the polls became clear, investment funds flowed back.

Equally, however, few equity markets looked as attractive on fundamental grounds as London. The UK bull market at least appeared based on solid evidence of a recovery in coosumer spending and latterly in output wbicb, with the conspicuous exception of the U.S., was only barely visible elsewhere.

Furthermore, the painful productivity gains and rationalisation of earlier years were showing through increasingly in sharp rises in profits among the more capital-intensive, cyclical companies.

The fast-growth favourites of 1982, including pharmaceuticals and electricals, were left behind as the equity market picked on recovery stories. By the middle of the year even the *sectors favoured* by the consumer boom – such as stores – were starting to look played out as cbemicals, motors, packaging and paper and, most recently, textiles took up the running.

If any single share summed up the bullish mood of the year it was ICI. An aggressive senior management spent the recession paring back an inflated cost base and, as cbemical demand started to rise, the results shot straight through to the bottom line. With American investors treating the equity as an exciting novelty, the share prire well nigb doubled in the course of the year.

Like the rest of the equity market, the ICI share price was buffeted throughout the year by the exchange rate. While, over 1983 as a whole, sterling's trade-weigbted index showed only a modest fall – of about two points – against individual currencies it fluctuated widely. Confounding most nf the pundits, the dollar again refused to respond to downward economic pressures while the D-Mark bloc and the yen sank further Into the doldrums.

The pound's performance against the dollar was a continuous point of focus for tbe money and fixed-interest markets. The dollar had helped to stem the *rising tide in gilt-edged* towards the end of 1982 and the early months of this year brought no relief.

Gradually, bowever, the more encouraging outlook for inflation arrested the fall. Concern – which by now looks justified – that the public sector borrowing requirement would overshoot by about £2bn and that the government broker would need to continue overfunding to brake monetary growth helped to keep yields in double figures, even though inflation was spinning down to less than 5 per cent by Christmas and seeming likely to rise only modestly thereafter.

Although an optimistic sense that the *worst of inflation was over* kept gilt-edged yields from rising very fur, fear of the growing U.S. budget deficit made it difficult for them to fall, given the threat of higher yields on U.S. bonds. The result was a narrow trading *range* – with gilt-edged yielding between 10¼ and 11½ per cent – an unsatisfyingly choppy year to set beside 1982, when yields dropped by almost 5 percentage points.

Inflation

For the authorities, this was an uncomfortable funding background. The options were already limited since, *in the early part of the year* at least, the long end of the gilt-edged market was left free for public companies – which largely failed to take the bait and went to the equity market instead.

The UK Chancellor queered his own pitch in the index-linked sector by insisting that inflation was almost vanquished and index-linked, ironically enough, proved almost the only financial asset not to keep pace witb inflation over the year.

Fortunately the government broker found powerful allies, first in the building (home loan) societies, which absorbed as much short-dated stock as he could throw at them, and then the Inland Reveoue, which obligingly sent investors in roll-up funds scurrying home into low-coupon gilts.

The Bank of England, meanwhile, kept a firm hand on short-term interest rates. After a one-point rise in January, base rates were permitted to inch down just fast enough to keep flickers of hope alive in the short end of the gilt-edged market. Yet, as 1983 draws to a close, it is nn the London Stock Exchange's equity pitches, rather than in Lombard Street, that the champagne corks should be popping.

Bomb fears fail to deter UK shoppers

By Our London Staff

BRITAIN'S traditional post-Christmas sales got off to a brisk start yesterday despite fears of more bomb attacks by the IRA in the wake of the Harrods blast ten days ago and a further explosion on Christmas Day in the heart of London's West End shopping district.

The latest bomb was planted in a litter bin in Orchard Street, just off Oxford Street and between the Marks and Spencer and Selfridges stores, both of which had windows damaged. Two passers-by were slightly injured.

The death toll from the Harrods attack has meanwhile risen to six. A police inspector died on Christmas Eve from head wounds sustained in the blast and there are fears for one of his colleagues, a police constable who is still on the critical list.

Shoppers in rentral London yesterday heeded a police request not to bring their cars in for the first day of the sales.

After a subdued start most of the stores in the Oxford Street and Regent Street area reported demand to be at least as good as on the first day last year.

Parking bays in an extensive area either side of Oxford Street were suspended and a number of cars parked in tbem were towed away by polire.

Polire with dogs mingled with the shoppers and outside Harrods in Knightsbridge there was a strong and clearly visible police presenre.

Elsewhere in Britain, cities such as Maochester, Birmingham, Cardiff, Southamptoo and Nottingham reported strong demand, with ao especially higb level of cash sales in some shops.

In London after a slow start, Libertys was very pleased with the first day of its sale, with strong interest in its fabrics and silk scarves. There was also good demand for its Persian carpets.

Mr Tony Measom, assistant general manager at D. H. Evans said: "We had a slowish start but it has built up to be very healthy. I think the main reason was the limited public transport and the polire plea oot to bring cars into town."

Dickins and Jones, in Regeot Street, said the numbers of customers were up on the first day of the sales last year.

South African forces clash with Cubans in Angola offensive

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICAN troops have advanced up to 200 kilometres (125 miles) into southern Angola and clasbed directly with Angolan and Cuban forces, accordiog to General Constand Viljoen, chief of the South African Defence Force.

His statemeot indicated that what military spokesmen described last week as a "limited" offensive against guerrillas of the South West Africa People's Organisation (Swapo) was in fact a significant thrust into Angola over a wide front.

Gen Viljoen confirmed after a visit to the war zooe that fighting was takiog place over a wide stretcb of south-western Angola up to about 200km north of the Namibian border. He said that the present operation bad begun oo December 6.

Accordiog to the South Africans, the present offensive is justified by the large number of Swapo guerrillas, *estimated at 1,400 men*, planning to Infiltrate oorthern Namibia during the rainy season, which began last month.

Gen Viljoen said that Swapo was using four main routes, stretching from Cahama In the west to east of Cassinga. South African troops clashed with some 200 Swapo guerrillas near the town of Cahama on Monday.

The South Africans view the intended Swapo infiltration as a clear rejection of the offer made by the Foreign Minister, Mr Pik Botha, two weeks ago to begin disengaging South African forces from southern Angola at the end of January.

Gen Viljoen said that the present operation would continue "until we reach our target – to knock Swapo for six and stop plans to infiltrate South-West Africa (Namibia)". He added: "We intend to meet Swapo as *far north as possible" to* prevent their operation into Ovambo and white farming areas furtber south.

The defeore force bas announced the deaths of eight South African servicemen in recent weeks, but declines to estimate Swapo casualties in the operation.

For the first time for more than two years, the South Africans have clasbed directly with Angolan and Cuban troops. Gen Viljoen said that an Angolan army unit ambushed a South African platoon last week, and that South African aircraft bad been fired on by sophisticated Sam-8 missiles.

He denied Angolan reports that several aircraft had been shot down. He said that Angolan government forces had ignored pamphlets dropped by South African aircraft advising them not to "interfere" in operations against Swapo.

AE&CI to expand Coalplex holding

BY JIM JONES IN JOHANNESBURG

AE&CI, South Africa's largest chemicals group, is negotiating to buy the 40 per ceot stake it does oot bold in Coalplex, a plant which uses coal as the basic feedstock to produce polyvinyl chloride (pvc) plastic.

AE&CI owns 60 per rent of the plant, which was commissioned in 1977. Sentrachem, the country's second largest cbemicals group, owns the remaining 40 per rent.

Coalplex was established as a joint venture at a capital cost of R230m ($188m) wheo it was believed that rising oil prires would make coal-based chemicals plants increasingly competitive.

The intention was that Coalplex would be the first in a series of such plants and that AE&CI would have the majority of shares and management of the first plant, Seotrachem would control the second, and so on.

Initial expectatioos were, however, not realised. Coalplex has probably been marginally profitable, though neither AE&CI nor Sentracbem has disclosed profit figures. Uoofficially, it appears that Coalplex bas been unable to generate sufficieot profits to recoup capital investment.

This poor profit performance is despite the fact that South Africa's chemicals industry shelters behind import cootrols. Part of Coalplex's problem has been that export prices bave been depressed because of bighly competitive market cooditions.

The two chemicals groups decline to give reasons for the proposed sale of Sentrachem's Coalplex interest, but Sentracbem bas been sufferiog from declining operating profits, oarrower profit margins, higber interest rates and rising debt.

In the financial year to June 30, Sentrachem's sales fell by 9 per cent to R700m from R769m while operating income before depreciatioo and paymeot of interest dropped to R122.7m from 159.8m.

Interest charges rose to R36.4m from R23.8m. During the same year the group's loog-term debt increased to R381.3m from R215.7m while current liabilities fell to R190.2m from R245.7m. Earnings fell to 56.6 cents a share from 87.3 cents.

By comparison, AE&CI earned a profit of R92.5m before interest and tax In the six mooths to June 30. Its sales during the balf-year was R747m and its interest payments R16.9m. Like Seotracbem, AE&CI is apprehensive about the Government's plans for lifting import controls.

Britain's Imperial Chemical Industries bas a 38 per cent interest In AE&CI.

U.S. Steel to reshape its operations

Continued from Page 1

under beavy fire from unions and politicians on both sides of the Atlantic.

U.S. Steel, meanwhile, was expected last night to announce significant cuts in its basic steel-making capacity. A proposed programme of plant closures was designed to streamlioe operations, sbed unprofitable product lines and meet the target of returning to profitability next year.

Mr Haslam stressed last oight that in the wake of the collapse of the joint veoture, the long-term future of the Ravenscraig strip mill could not be assured.

"It is important," Mr Haslam said, "that the implications of the outcome should not be misunderstood by anyone. In the case of Britisb Steel the problem remains of wide strip capacity, surplus to market requirements.

"Faced with the pressing need to end its preseot losses BSC will bave to examine all alternative options."

Mr Haslam again stated that BSC could afford to run only two out of its three strip mills in the longer term. He said the company would be presentiog a plan containing the various options for the company to the Government in the new year.

Some 1,200 workers are curreotly employed at the Ravenscraig strip mill works out of a total of 4,000 at Ravenscraig in total.

Under the original plan about 2,000 Scottisb steel jobs would bave been lost.

Peugeot may alter Talbot's status

Continued from Page 1

despite a court order yesterday to halt their sit-in.

The situation at Poissy, which employs 17,000 people, many of them North African immigrants, has been further complicated by the failure of the union leadership to control their rank and file

In particular, many immigrant workers feel the unions have not acted in their interests. The pro-Communist CGT has been accused by some workers of going along with the Government view that redundancies are inevitable.

Those immigrant workers have now demanded larger financial incentives from the Governmeot to enable them to return to the Maghreb. They are asking for about FFr 200,000 ($23,630) eacb to return to their homelands. That is far more than the curreot FFr 20,000 repatriatioo allowance for North Africans.

Wall St lifted by rate hopes

Continued from Page 1

clamp down for, perhaps, "the next two or three months," according to one leading banker.

At the same time the stock market is bearteoed by the expectatioo of another round of profit gains at the major companies which are due to report next month on their trading performance in the final quarter of this year.

The stock market peaked at 1,287.20 on the Dow at the beginning of tbis month but market analysts are now hoping to see the 1,300 mark cballenged early in January.

Tokyo, whicb bad been open on Monday and had turned in a gain of more than 141 points on the Nikkei-Dow average of 225 leading issues, extended this 37.37 further yesterday to put the index at an all-time peak of 9,883.94. Earlier in the day it touched an unsurpassed 9,900.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	17	63	Dubrovnik	S	11	52	Malaga	S	17	63	Salzburg	F	6	43
Akrotiri	C	18	64	Faro	S	18	64	Malta	S	13	55	Seoul	S	-2	28
Algiers	–	–	–	Florence	S	15	59	Manila	F	30	86	Singapore	R	24	75
Amsterdam	C	9	48	Frankfurt	C	5	41	Miami	S	19	66	Stockholm	Sn	1	34
Athens	C	15	59	Funchal	S	20	68	Milan	S	14	57	Strasbourg	F	7	45
Bahrain	C	21	70	Geneva	S	6	43	Moscow	Sn	-1	30	Sydney	–	–	–
Bangkok	S	31	88	Gibraltar	F	17	63	Munich	S	4	39	Taipei	C	13	55
Barcelona	S	14	57	Guernsey	D	10	50	Nairobi	–	–	–	Tangier	S	18	64
Beirut	C	19	66	Helsinki	S	-8	18	Naples	S	14	57	Tehran	–	–	–
Belgrade	R	5	41	H. Kong	C	10	51	New Delhi	S	17	63	Tel Aviv	C	18	64
Berlin	F	4	39	Innsbruck	S	4	39	New York	S	-2	28	Tenerife	F	21	70
Biarritz	F	12	54	Inverness	–	–	–	Nice	S	16	61	Tokyo	S	7	45
Blackpool	C	11	52	Istanbul	F	13	55	Oporto	S	18	64	Toronto	C	-12	10
Bordeaux	Fg	1	35	Jersey	C	10	50	Oslo	C	2	36	Tunis	S	16	61
Brussels	C	9	48	Jo'burg	S	22	72	Paris	C	11	52	Valencia	S	16	61
Budapest	S	7	45	Las Palmas	S	21	70	Prague	S	3	37	Venice	S	11	52
B. Aires	S	31	88	Lima	S	24	75	Reykjavik	Sn	0	32	Vienna	F	6	43
Cairo	S	19	66	Lisbon	S	15	59	Rio de J'o	C	25	77	Warsaw	C	2	36
Cape Town	S	30	86	Locarno	S	9	48	Rome	S	15	59	Zurich	S	6	43
Caracas	C	28	82	London	C	12	54								
Casablanca	S	20	68	Los Angeles	C	18	65								
Copenhagen	R	4	39	Luxembourg	R	4	39								
Corfu	C	16	61	Madrid	S	12	54								
Dublin	C	13	55	Majorca	S	17	63								

Readings at mid day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Belgrade to repay debt

BELGRADE – Yugoslavia's parliament yesterday approved a budget and development plan for next year that is designed to strengthen the economy and repay big foreign debts.

Prime Minister Milka Planinc told parliament that, despite continued difficulties, the country bad slowly begun to pull out of its economic and financial crisis.

Sbe said favourable conditions bad been created this year for a further strengthening of the economy in 1984 that would lead to deeper structural changes envisaged by the Government's long-term economic stabilisation programme.

This included the narrowing of Yugoslavia's current account payment deficit from $1.4bn in 1982 to about $150m this year, a smaller trade deficit and repayment of capital and interest on all foreign debts.

The Prime Minister said Yugoslavia's main tasks next year would be to revive industrial production, increase exports and employment, secure a payment surplus and service foreign debts.

The 1984 development plan envisage a 3 per ceot increase in industrial output and a 2 per rent rise in the gross natiooal product.

Overall exports should rise by 16 per ceot and exports to the West by 20 per cent. Imports are expected to increase by 7 per cent, according to the plan.

Reuter

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Algeria revives syndicated credits

FEW CREDITS testify better to the revival of the syndicated loan market in the autumn than the deal whereby Algerian raised $800m for its state-owned Banque Extèrieure d'Algèrie and Banque Nationale d'Algèrie.

Interest in the credit was intense from the moment the telexes began to roll in the offices of Algeria's leading bankers with a request for a loan in the range of $500m to $700m. Hard bargaining for mandates had returned with a vengeance, and with it fears of shaved margins followed by weak syndications.

Almost immediately three groups of banks were formed to seek the coveted lead position. One comprised Arab Banking Corporation, Banque Nationale de Paris and Manufacturers Hanover; another was a group of 20 banks assembled by Banque Arabe et Internationale d'Investissement and the third a group of 10 banks co-ordinated by Chase Manhattan and Gulf International Bank.

It was this last group which finally won the mandate on November 8. Terms were set to include a margin of ½ per cent over Eurodollar rates for the first six years, rising to ⅝ per cent for the following two.

In some ways Algeria was just the sort of special case which might qualify for preferential treatment from an otherwise moribund syndicated loan market. Since the late 1970s, it had become a rare borrower.

This year it has been repaying some of its bank debt, creating a shortage of Algerian assets in the market and making it technically underborrowed.

Yet the big question mark remained the degree to which the loan could be sold to smaller banks in syndication.

Response was strong enough to allow the deal to be increased in two successive stages, first to $750m and then to $800m.

Peter Montagnon and **Mary Ann Sieghart** analyse Euromarket deals which are likely to go down as milestones in 1983

Spectacular success for Swedish jumbo loan

SWEDEN'S £500m credit, whicb was launched initially at only £250m in late August, was nne of 1983's biggest surprises as well as a large success. It was the first time that sterling bad been used for a jumbo loan by a sovereign borrower. Moreover the margins were very low, starting at ⅜ per cent over money market rates for the first two years and rising to ½ per cent thereafter. The credit bas a maximum life of 12 years.

At the time nf its launch, the conditions seemed to fly in the face of accepted market wisdom that margins as low as ⅜ per cent and maturities as long as 12 years were no longer acceptable following the Latin American shock. Moreover the depth of the sterling market in syndicated credits, which had been growing steadily over the year, had never been tested in this way.

"We knew we were going into uncharted water both with the size and the margin," said Mr Brian Woolley, a senior executive of Samuel Mnntagu, which led the credit. But the experiment paid off in a spectacular fashion. Nearly £800m was raised from the lead management group alone.

Part of the loan's success can clearly be put down to the shortage of lending opportunities for

Mr Steffan Gadd, Samuel Montagu's Swedish chief executive

branches of foreign banks in London. Not nnly was the Bank of England informally trying to restrain the popular sterling acceptance market; local authorities, which in previous years had been large borrowers from the banks, were repaying their debts in order to avail themselves of cheaper funding opportunities offered by the Public Works Loan Board. Suddenly a pocket of internatinnal finance had become available in domestic sterling.

Since then, the sterling syndicated loan market bas been the subject of much discussion. Other largisb loans have been placed in sterling, including a £100m credit apiece for Ireland and France's financing agency Crédit National, but no borrower has sought to emulate Sweden with a real blockbuster. Does this mean that Sweden's £500m was a flash in the pan that can never be repeated?

One of the conclusions now emerging from the post-mortem that followed the Swedish deal is that the sterling market is probably limited in depth both because the demand among foreign banks for sterling assets is not infinite and because, eventually, the authorities would have to restrain its growth if the resulting capital exports began to affect the exchange rate.

More important still is the belief of seninr market nperators that however attractive sterling assets may be, the mere fact that a credit is denominated in sterling does not provide reasonable grounds for overriding a bank's overall country limit. The sterling market is thus likely to remain confined to quality borrowers for wbom banks still bave sufficient overall space in their balance sheets.

If this is the case, then the Swedisb exercise revealed an intense demand for good quality loans.

Mexico's forced lending deal a model for others

STRICTLY speaking, Mexico's $5bn six-year credit from its international bank creditors only just qualifies as a deal of the year in 1983. Terms of the loan, whicb provide fnr au interest margin of 2¼ per cent over London interbank offered rate (Libor) or 2⅛ per cent over the U.S. prime rate, were agreed on December 10 1982.

But syndicatinn of the lnan carried on well into the New Year and it was not until February 24 that the tntal amount of $5bn was finally committed. Moreover this was the first large loan to be arranged under the Internatinnal Monetary Fund's forced lending concept. This allows for balance of payments finance to be provided by all of a country's creditor banks in proportion to their existing exposure.

The success of the Mexican loan allowed it to become estabished as a financing model for other countries in trouble. In 1983, acerding to the Organisation for Economic Cooperation and Development, more than $18.5bn in new bank loans were arranged for developing countries along these lines, making forced lending one of the hallmarks of the Eurocredit market for the year as a wbole.

It has been used to establish a new principle in banking, namely

Sr Angel Gurria, Mexico's chief debt negotiator

that a country which reschedules its debt need not be cut nff automatically from new sources of credit. So ingrained was the contrary view in the financial community that few bankers believed Mexico could ever achieve its $5bn target wben the concept of a large loan was first floated in November 1982.

A year later it is clear that the success of the Mexican loan and the others which followed it have done much to calm the crisis-ridden banking system. But it is equally certain that arranging these deals has imposed a unique discipline on the banking community, which now shows signs of wearing thin.

The idea behind them is that all a country's creditors must share in contributing to the loans – much bas been made in several deals of the contributinns nf smaller banks totalling sometimes as little as a few thousand dcllars – but as countries come back fnr mnre, signs are growing, particularly among smaller banks, of resistance to a concept they regard as throwing good mnney after bad.

The latest operation – a $6.5bn credit for Brazil – has proved agonizingly difficult to complete, mainly because of resistance from banks in the Middle East and among reginnal U.S. banks. As the year drew to a close it was widely expected in the banking community that the loan might need to be topped up by leading creditors to ensure that the total is reached.

A small top up was already needed for Mexico's $5bn, but if topping up becomes necessary for larger and larger amounts, the prospects that forced lending can continue to help solve the banking crisis will also dim. That is the main reason wby bankers and borrowers alike will be looking for new ways of cbannelling capital to the develnping world in 1984.

Boost for demand in sterling assets

SPOTTING TRENDS in investor demand is probably the most important job of an investment banker. Many UK merchant banks realised this year that demand fnr sterling assets – particularly floating rate ones – was strengthening.

Samuel Montagu tapped it with a £250m credit fnr Sweden, subsequently dnubled to £500m and still oversubscribed, but it was S.G. Warburg which first applied it to the bond markets.

Rumours had circulated for months that a borrower was to reopen the sterling floating rate note market which bad laid dnrmant fnr three years. UK banks were competing to persuade borrowers to tap the market and the first to do so was Société Nationale des Chemins de Fer (SNCF), the French railway company nn September 29. Led by Warburg, the nnte was initially for £50m but was increased within hnurs tn £75m to meet market demand.

The surge in demand for sterling assets arose mainly through a sbortage of supply. The sterling acceptance credit market (the market in bills nf exchange issued by companies and guaranteed by banks) has recently been squeezed by the Bank nf England.

Having encouraged its growth in the last few years, the Bank has now been asking banks to reduce the level of acceptance credits nn their balance sheets. This has led to a search fnr other kinds of sterling asset.

But this has not been easy for other sources have dried up too. Corporate loan demand bas been weak as profits and cash flow have recovered and investment has been low. And local authorities, who used to borrow from banks, have found it cheaper to use the Public Works Loan Board instead.

The demand was evidently strong wben SNCF launched its deal and it held up for the next two or three sterling floaters.

EEC provides the momentum for a flood of new FRNs

NOT only did the EEC break all records by launching a blockbuster $1.8bn bond in June, it also alerted bankers to the massive potential of the floating rate note market.

The success of Sweden's $1.2bn jumbo FRN in January had given some indication of the depth of the market, but it took the EEC deal, which manager Credit Suisse First Boston increased from $1.5bn to $1.8bn, to provide the momentum for a flood of new FRN issues and a narrowing of spreads.

Until recently, FRN departments in banks have rather played second fiddle to the fixed-rate side, both in terms of trading and new issues. Now people have come to realise that the expansion of the floater market is not a temporary phenomenon and bond houses need to be geared up in their trading and their expertise about the market in order not to lose out.

CSFB seems to bave predicted this trend earlier than most, and as a result is way ahead of the other bouses in the number and volume of deals it has led. It won the mandates, for instance, nf both jumbo Sweden deals, the EEC and the botly-contested Belgian FRN.

But this dominance is unlikely to last. Expertise in the handling of floaters is not that difficult to attain. In tha pricing, there is no capital market risk; as the coupon moves with market rates, the bond will rarely fall to a beavy discount. Selling the bonds, too, is easier as the chief investors are other banks.

Floaters in 1983 began seriously to take the place of syndicated loans, both for borrowers and investors. Sweden, the EEC, Belgium, Denmark, Ireland and many French borrowers discovered that money could be raised on finer terms and for a longer maturity in the FRN market.

Because of the resulting dearth of good names in the loan market, banks were dragged into the FRN market as investors in order to bolster up the asset side of their balance sheets. But returns bave been lower – the surge in demand for floaters has allowed borrowers to issue bonds at a spread of ⅛ point over the mean of the London interbank bid and offered rates sometimes with front-end fees of just ⅛ per cent.

This shift from loans to FRNs has also moved business from commercial to investment banks. Many commercial banks decided in the last year or so to concentrate on fee-related business rather than earning margins on risky lending.

Tn a certain extent, the growth of the FRN market this year bas led to a blurring of distinctions between floaters and syndicated loans. With sub-participation on the increase, a secondary market in loans is coming to life. And a borrower like Sweden may fiud that the people who lend it money in the FRN market are not substantially different from its normal providers of loans.

But in liquidity, the FRN market is way ahead. It is this factor which should ensure that the market remains healthy in 1984. The turnover of the jumbo floaters has been extraordinary and this bas allowed dealing spreads to narrow to 0.10 or even 0.05 per cent.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Bonds with warrants prove to be a passing fad

BY THE BEGINNING of 1983, most fund managers had decided that equities would be a better investment than fixed-income bonds. Investment bankers involved in the bond markets had a hard time tempting them back, but they rose to the challenge with vigour.

The idea was that if straight "vanilla" bonds were not going to lure investors, they would have to have "bells and whistles" attached.

First there were the partly-paid bonds, then the zero-coupons. But none of these fads lasted, and finally "if you can't beat them, join them" became the prevailing philosophy.

Investors were obviously hooked on equities, so the only way to get them to buy bonds was to link them to the stock markets. Thus we entered the era of the equity-linked bond. Convertibles have been around for a long time, but 1983 was the year of bonds with equity warrants. With these, investors got the best of both worlds—a guaranteed high real rate of return on their investment and a chance to cash in on the soaring stock markets at a fixed price.

The first such issue to soar to a premium was the $250m deal early in the year for Siemens, the German electrical company. It paid just 7¾ per cent at a time when prevailing rates were nearer 11¼ per cent, but each bond carried two warrants to buy a total of nine Siemens shares at DM 265 each. On the day of issue, the shares closed at DM 269.60.

The bond sold out within 24 hours of launch and soared to a 10 per cent premium before settling by the end of the week at a price of about 104½. Bankers realised they were on to a good thing: borrowers were raising cheap money and investors could not get enough of it.

Several issuers followed suit within the next couple of months, but real warrant fever struck in May. Issues from borrowers like Crédit Suisse, Deutsche Bank, and Degussa shot up to levels as high as 124 in the pre-market and many stabilised around 110.

Yet the fever vanished as quickly as it had risen. Two weeks later the market witnessed dramatic falls in the prices of many of the warrants issues. Deutsche Bank's deal, for instance, plunged from 120 to 104 in one day.

Premiums on the warrants had risen as high as 40-50 per cent over the prevailing share price and investors suddenly realised they had gone over the top in an effort to get a slice of the deals.

The lesson for investment bankers was that they can count their blessings if investors act foolishly and bid bonds up to outrageous levels, but as soon as bonds are priced at issue for a foolish market investors rebel.

M.A.S.

First Chicago buys into Brazilian investment bank

BY ANDREW WHITLEY IN RIO DE JANEIRO

FIRST NATIONAL Bank of Chicago, one of Brazil's leading creditors with a net exposure of around US$800m, is to take a 40 per cent stake in Banco Denasa de Investimento, a privately owned Brazilian investment bank.

Approval of the transaction is now awaited from the U.S. Federal Reserve Board and the Brazilian Central Bank. This is expected to be a formality, but the Federal Reserve is likely to scrutinize First Chicago's investment unusually closely in view of the fact that this is the first such deal since the Brazilian foreign debt crisis broke in November 1982.

The size of the investment has not been disclosed, but is believed to be in the region of US$15m. Western bankers familiar with Denasa said yesterday that First Chicago had got its shareholding—the informal maximum permitted by the Brazilian authorities—cheaply.

Denasa is one of the few remaining independent investment banks in Brazil and as such represents an attractive investment opportunity in a market which has been virtually closed to the entry of foreign banks for over a decade.

Most other investment banks in Brazil are owned by the major, Brazilian-owned financial conglomerates. Those major outsiders such as Bank of America, Bankers' Trust, and Morgan Guaranty, which have been frozen out of the highly profitable Brazilian domestic market have therefore sought entry through minority shareholdings in investment banks.

Sr Jose Guilherme Padilha, the president of Denasa, was reported last week as saying that the timing of the deal with First Chicago was not linked to the recently completed "phase two" international rescue package for Brazil.

Denasa, which has been having difficulty funding itself locally, has a net worth today of Cruzeiros 11bn (US$13m).

Resin maker for Akzo

AKZO, the Dutch chemicals and fibres group, is to take over the U.S. resins manufacturer Lanchem Corporation. Lanchem produces advanced paint resins and its 1983 turnover is forecast at Fl 21m (U.S.$6.8m), **AP-DJ** reports from **Amsterdam**.

Lanchem will become a subsidiary of the Dutch group's U.S. unit, Akzo Coatings America which makes high value industrial paint products. Akzo said the new acquisition will provide access to modern production facilities in the U.S.

Marginal rise in group earnings at Mitsubishi

BY YOKO SHIBATA IN TOKYO

MITSUBISHI, JAPAN'S largest general trading house, has announced a 1.8 per cent increase in consolidated net profit to Y14.67bn ($62.7m) in the six months ended September 30, from Y14.4bn. Sales during the period fell 2.5 per cent to Y7.58bn from Y7.78bn a year earlier. Consolidated earnings per share were Y11.51 compared to Y11.33.

The results were broadly in line with the parent company performance, published last month, and reflected sales setbacks in exports of steel pipe and industrial plant, as well as in domestic sales to the utility sector. However, crude oil and grain business showed a healthy increase, while the group's financial performance also benefited from lower interest rates and cuts in overheads.

First-half downturn for Pegi Malaysia

By Wong Sulong in Kuala Lumpur

PEGI MALAYSIA, the largest shareholder in Dunlop Holdings of the UK, has reported a sharp drop in pre-tax profits from 3.15m ringgit to only 360,000 ringgit ($154,000) for the six months to September. Turnover was down from 23.2m ringgit to 9.38m ringgit.

The company, which holds 26 per cent of Dunlop, said the lower revenue was partly the result of Synthetic Resins (Malaysia) assuming the status of an associate instead of a subsidiary. But the drop in earnings was also due to dull conditions faced by other subsidiaries involved in marine and oil services and investment activities.

The poor earnings underline the extent to which Pegi is inextricably linked to the fortunes of Dunlop, and the omission of a dividend from the British company is sorely missed.

Pegi, which has a paid-up capital of 123m ringgit, said second half earnings should show an improvement, but this is likely to come from lower financing charges following the company's recent collection of 53.7m ringgit from a rights issue.

Analysts say Pegi is unlikely to meet the projected pretax profit of 7.45m ringgit for the year to March 1984 which it forecast in its rights prospectus.

Matra and Datapoint to collaborate

BY PAUL BETTS IN PARIS

MATRA, THE French state-controlled defence and electronics company, and Datapoint of the U.S. have reached an industrial collaboration agreement.

The agreement, which has to be approved by the French government and ratified by the boards of the two companies, involves the production in France of electronic equipment at Matra's plant at Colmar in the region of Alsace.

The initial production due to start in 1984 is designed for the French electronics market although the two companies are considering expanding the industrial collaboration for the European market as a whole.

The two companies have had links for some time, having established a joint marketing venture in 1981 to distribute Datapoint products called Matra-Informatique. However, the two companies are understood to be reviewing this arrangement with Datapoint envisaging taking majority control of the marketing venture which would be renamed Datapoint-Matra Informatique.

● Pechiney, the French nationalised aluminium group, and Hercules, the U.S. carbon fibre manufacturer, have decided to abandon a joint venture to produce carbon fibres in France.

The two companies had set up a subsidiary, SEFC, 60 per cent owned by Pechiney and 40 per cent owned by Hercules, to produce 200 tonnes of carbon fibres a year at a plant in France. But in view of the market situation for this product, the two groups decided last October to suspend and review the venture.

The review has now been completed with the two companies deciding that the venture was not justified on economic grounds.

Caltex Pacific to spend more in Indonesia

JAKARTA — Caltex Pacific Indonesia has agreed to spend $1.5bn for enhanced recovery systems on its Sumatra oil wells. It has also signed a new 88-12 production sharing agreement in favour of the Indonesian state oil company, Pertamina.

The agreement, valid for 18 years with effect from November 28, replaced a contract under which Caltex, a joint venture of Standard Oil of California and Texaco, operated Indonesia's biggest oil fields in Sumatra.

The Indonesian Government earlier announced that Caltex had agreed to invest over $3bn in new projects in Indonesia, including a steam flood injection secondary recovery system. Reuter

INTERNATIONAL APPOINTMENTS

Cathay Pacific and Swire Group chairman

● *Mr Michael Miles* has been appointed chairman of CATHAY PACIFIC AIRWAYS and of the SWIRE GROUP in Hong Kong, from April 1. Mr Miles, presently the *managing* director of *Cathay* Pacific, will succeed Mr Duncan Bluck, whose decision to become executive director with John Swire and Sons in London was announced recently. *Mr Miles* will be appointed deputy chairman for the interim three-month period prior to Mr Bluck's departure. He will be succeeded as managing director of Cathay Pacific by Mr Peter Sutch, from the beginning of 1984. Mr Sutch is currently the airline's deputy managing director.

● SAFEWAY STORES, INC., has appointed Mr Robert E. Bradford as senior vice-president, public affairs. He succeeds the late Mr Calvin P. Pond. Mr Bradford comes to Safeway from the Great Atlantic and Pacific Tea Company where he was a *senior vice-president with overall* responsibility for government relations, communications, and consumer affairs.

● Mr William B. Bolin, vice-chairman and executive officer for the world banking division of BANK OF AMERICA, will retire early next year.

● Mr Albert R. Erb, director of financial management for AT&T businesses services, has been appointed vice-president and managing director, Saudi Arabia, for AT&T INTERNATIONAL. He *succeeds Mr Al Wood* who will return to the U.S.

● Dr Otmar Emminger, former president of the *Deutsche* Bundesbank, and Sheikh Abdul Aziz Al-Quraishi, former governor of the Saudi Arabian Monetary Agency, have been *named to the international* advisory board of SECURITY PACIFIC NATIONAL BANK of Los Angeles, California. The international advisory board, an *advisory* committee to the bank's board of directors, is composed of *10* senior executives from various countries.

● ALLIS-CHALMERS CORPN., of Milwaukee, has named Mr Wendell Bueche to the additional post of chief executive officer, from January 1. Mr Bueche, who is president and chief operating officer, will succeed Mr David Scott in the chief executive officer post. Mr Scott will continue as chairman.

● WARNER-LAMBERT COMPANY, New Jersey, has elected Mr Melvin R. Goodes and Mr Charles Y. C. Tse as executive *vice-presidents from January 1.* Mr Goodes will be responsible for all U.S. consumer and health care operations, including the globalised businesses within the health technologies *group*, as well as the Parke-Davis Group. Mr Tse will continue to head international operations.

● BSR International has appointed Mr David G. Kennedy president of DBX INC., an American subsidiary, based in Newton, Massachusetts, manufacturing hi-tech audio electronic equipment for the consumer, professional recording and broadcasting markets.

● GENERAL SIGNAL CORPN'S chairman, Mr Nathan Owen, will retire next spring. Company president, Mr David Kimball, will succeed Mr Owen as chairman and chief executive officer, in April. He is also chief operating officer. Mr Edward Franklin, Mr Glenn Ronk, Mr George J. Demos, have been named as vice-*chairmen, effective immediately.*

● Mr Roland Naepflin, hitherto managing director of Swissair *Nestle Hotel*, has been *appointed* to the management of the airline's holding company SWISSAIR BETEILIGUNGEN with responsibility for hotel participations. He *remains* on the board of the Swissair-Nestle *joint* venture, which runs the Swissotel hotel chain.

● Dr Bengt Kredell has been appointed deputy managing director, research and development, of ASEA AB, and member of the ASEA corporate *management*. He succeeds Dr Gunnar Engström, who is retiring. He will, however, remain at the disposal of the corporate management for various board, and technical, assignments and for *the supervision of ASEA's* interests in certain projects.

● Mr Thomas P. Lynch has been elected *president* of E. F. HUTTON GROUP. Mr Scott Pierce has been elected president of E. F. Hutton and Co. Inc. Mr Robert Fomon continues as *chief executive of both companies.*

● Mr Rochus F. Huber has succeeded Mr Henry-E. Parel as managing director of SUCHARD-TOBLER, Neuchatel, Switzerland.

● UNION BANK OF SWITZERLAND has appointed Mr R. Favarger, Mr K. Janjöri and Mr H. Steinmann to be full members of the executive board from January 1. Mr H. Müller, presently manager of the St Gallen branch, has been appointed deputy member of the executive board *from April 1.* He will succeed Dr H. Rüegger, who will retire.

● GOTAAS-LARSEN SHIPPING CORP. of Hamilton, Bermuda, has made several promotions. Mr Alf Clausen and Mr Richard D. Fain have been named joint managing directors and elected executive vice-presidents. Both were formerly senior vice-presidents. The office of the president, *established* as a temporary arrangement two years ago, has been discontinued. Mr Philip Hagel, treasurer of the corporation since 1980, has decided to return to the U.S. and therefore has resigned. As a result the *following* organisational changes have been made: Mr Christopher Dawes, formerly controller, has been elected vice-president, finance; Mr Jonathan Hill, previously assistant controller, becomes controller; Ms Jane Hinkley has been elected director of treasury and she continues as director of tax.

COMPANY NOTICES

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin. 10¾ 90	100	94	94½	0	+0½	11.58
Australia Com. 11¼ 90	100	100⅞	100⅞	−0⅛	+0½	11.10
Australia Com. 11½ 95	300	95⅞	96⅜	−0⅛	+0¼	12.12
Australia Com. 11½ 98	100	96⅛	96½	0	0	12.15
Bk. of Tokyo Hd. 11 90	100	93⅞	94⅜	0	+0½	12.37

YEN STRAIGHTS (continued)	Issued	Bid	Offer	Change on day	Change on week	Yield
Quebec Province 5⅝ 93	100	98⅛	100	0	+0⅛	6.84
Shikoku Elec. Pwr. 6 91	100	101⅞	101⅞	−0⅛	−0⅛	6.74
Sumitomo Hvy. I. 6 91	100	101⅞	102	0	+0⅛	6.69
Tokyo Elec. Pwr. 5⅞ 91	100	102⅛	102⅞	0	+0⅛	5.48
Tnzeo Corpn. 6⅛ 93	100	100⅞	100⅞	0	+0⅛	6.08

Average price changes... On day 0 on week +0⅛

EUROBOND TURNOVER
(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week......	3,776.3	9,991.9
Previous week	7,497.3	11,610.7
Other bonds		
Last week......	1,173.7	1,395.9
Previous week	1,702.6	1,371.8

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the *mid-price*; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg.day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit *Commercial* de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du *Luxembourg* SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; *Credit Suisse/Swiss Credit* Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France *(Securities) London*; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on December 23

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered	‖ 9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings	¶10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank	* 9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 9%. Short - term £8,000/12 months 9.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6¼%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

FINANCIAL TIMES STOCK INDICES

	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	1983 High	1983 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	83.15	83.14	82.93	82.70	98.64	88.34	83.70	77.00	127.4	49.19
Fixed Interest	86.25	85.23	80.05	85.96	85.96	86.86	86.41	79.03	150.4	50.63
Industrial Ord	775.0	770.2	772.0	769.9	762.1	759.3	776.2	598.4	770.2	49.4
Gold Mines	582.4	579.3	580.1	570.1	559.2	582.0	734.7	444.5	734.7	43.0
FT-Act. All-Share	469.24	469.84	468.05	464.87	455.59	462.48	469.84	382.22	469.84	61.92

UK COMPANY NEWS

Vaux sees beer growth despite sales trend

DESPITE THE trend in beer sales continuing downwards there are sectors of this market that are growing, Mr Paul Nicholson, chairman of Vaux Breweries says in his annual statement. The company is well placed in these markets and still looks for profit growth on the beer side he reports.

The hotel industry seems to be in a period of cyclical upswing and the company is therefore looking for substantially improved profits from this area in the current year.

As reported on December 7 Swallow Hotels increased its contribution by 45 per cent in the year to October 1, 1983 while group pre-tax profits rose from £10.48m to £12.07m. Turnover advanced from £96.3m to £108.8m and with fully taxed earnings per share given as 16.9p (15.1p) the year's net dividend was raised from 8.25p to 9.075p.

Shareholders funds stood at £98.41m (£90.88m) at the year end and fixed assets including investments were valued at £117.36m (£107.15m). Net current assets came to £3.25m (£1.35m) and there were loans outstanding of £19.89 (£15.48m).

FT share information

The following securities have been added to the Share Information Service:

Charterhouse, J. Rothschild (Section: Banks, H.P. and Leasing).

Nationwide Building Society 10 1/16 pc Bds 8/10/84 (Loans—Building Societies).

Nationwide Building Society 10¼ pc Bds 5/11/84 (Loans—Building Societies).

Brazil delays Ocean Wilsons distribution

A marginal decline in pre-tax profits from £1.79m to £1.77m has been shown by Ocean Wilsons (Holdings) for the first half of 1983. Turnover of this investment holding company fell from £32.41m to £25.44m.

In normal circumstances the directors say they would have declared a dividend of 0.75p (same). However, as a consequence of current monetary crisis the Brazilian authorities have suspended all dividend remittances and payments for non-essential imports as a temporary measure.

To date no remittances have been received in respect of 1983 profits and in view of this the directors have decided to defer payment of the interim until remittances are received from Brazil which, it is hoped, will be early in the New Year.

Earnings per 20p share increased from 2.94p to 3.23p, following a decreased tax charge of £916,000 (£1.01m).

The directors say the results of the operating companies in Brazil may be considered satisfactory considering the economic difficulties in that country.

Trading profits slipped from £1.53m to £1.45m to which associates added £99,000 (£19,000). On a gross basis, UK investment income and interest fell from £245,000 to £219,000.

TraveLodge Intnl.

TraveLodge International Inc., a U.S. subsidiary of Trusthouse Forte, has achieved record profits in 1983.

Net income for the year to October 31 1983 rose by 19.4 per cent from $7.38m to $8.81m, equivalent to $4.12 ($3.45) per share. Sales increased by 7.1 per cent from $88.01m to $94.22m.

Godwin turns in £222,000

In the year ended August 31, 1983 Godwin Electrical has exceeded the profit forecast when it joined the market made by Harvard Securities in February. Against the estimate of £213,000 in the prospectus, the preliminary figures show a balance before tax of £222,000.

This compares with £128,000 achieved in 1981-82, the increase being the result of a growth in turnover, from £1.43m to £1.97m, and significantly higher margins.

The group has been expanding its retail outlets in the TV, Hi-Fi and video market, and since the year end has continued to add to those operations and improve its distribution and service functions.

RHP set to expand electrical activities

RHP Group is looking to expand its electrical activities both by acquisition and organic growth, says Mr David Ewart in his annual statement.

He also says that the company is committed to obtaining a better return on its assets in the bearing business, by achieving further economies and improvements in efficiency and productivity.

There will be further reductions in working capital, he says. During the year RHP disposed of a number of properties and, he says, since the year-end contracts for £2m for the sale on another property have been exchanged.

Commenting on the year to the end of September 1983, he says that while the second half showed some improvement the "strength and certainty" of the recovery is by "no means" assured.

As already known, pre-tax profits for the year slumped from £3.93m to £660,000 on turnover of £102.38m, against £109.46m.

At the year-end, shareholders' funds were £53.68m (£50.92m), fixed assets £28.04m (£26.83m), current assets £59.11m (£65.82m), and creditors £24.47m (£32.67m). The annual meeting is being held at the Hyde Park Hotel, London SW, on January 18, 1984, at 11.30 am.

Multifuel Heaters

Merchants' Warehousing Company's 25 per cent owned associate Multifuel Heaters has requested Reynolds Cooper McCarron to prepare a statement of affairs, with a view to it going into creditors voluntary liquidation.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Energy Finance and General Trust, London Private Health, RTD.

FUTURE DATES

Interims—
Hagg Robinson .... Jan 10
United Packaging .... Jan 11

BIDS AND DEALS IN BRIEF

Frederick Cooper (Holdings) has acquired Enneskillen Precision Engineering Company for £32,000 cash and 211,200 ordinary shares in Cooper.

Enneskillen has the benefit of a lease with five remaining years on factory and office premises in Enneskillen, Northern Ireland. The acquisition will enable Cooper to transfer the operations of its subsidiary Cooper Technical Components into these premises and achieve cost savings.

Cooper will also have the opportunity to purchase the freehold of the factory and office premises—a total site area of approximately eight acres. This will establish a firm base for the group in N. Ireland.

* * *

Emess Lighting has completed the acquisition of 35 per cent of Mercury Plastics from Mr C. I. Denza.

Mercury produces materials for the plastics industry.

The consideration is £300,000 satisfied by the allotment to Mr Denza of 133,417 ordinary shares in Emess credited as fully paid. Of these shares, 122,417 have been placed with institutional clients and 11,000 have been retained.

Audited accounts of Mercury for 1982 show net assets of £212,000 and net profits before tax of £109,000.

Mr Denza, the company's founder who will continue to hold the remaining 65 per cent, has entered inot a five-year exclusive agreement with Mercury.

* * *

Investors in Industry has acquired 45,028 cumulative convertible participating preferred ordinary shares and 750,000 cumulative preference shares in Penspen for £1.25m. The purchase was satisfied as to £693,876 in cash and the balance by an issue of £550,618 (nominal) 11 per cent unsecured loan stock 1988 in Penspen.

Following the transaction £10,154,474 nominal of 11 per cent unsecured loan stock 1988 will have been issued.

* * *

Discussions are taking place between William Cory and Son and Stablex International Holdings, whereby the Stablex business based at West Thurrock, Essex, would be transferred to Cory Waste Management (a William Cory company). Subject to the finalisation of contractual and other details, it is expected that the transfer would become effective in early January, 1984.

William Cory and Son is a member company of the Ocean Transport and Trading Group, and Stablex International Holdings is a member company of Rio Tinto Zinc.

* * *

James Gulliver, M. A. Grant and D. G. C. Webster have sold 1m, 300,000 and 200,000 ordinary shares respectively in Argyll Group.

The sale was to fund the subscription costs incurred in connection with the recent merger of Argyll Foods and Amalgamated Distilled Products. Following this disposal, Mr Gulliver, Mr Grant and Mr Webster are beneficially interested in 5,765,100, 1,028,645 and 914,646 ordinary shares respectively of Argyll.

No further disposals are anticipated in the foreseeable future.

* * *

Plantation & General Investments has acquired from RIT and Northern 555,000 ordinary shares in the Anglo-Indonesian Corporation (9.35 per cent of its capital). As a result of the acquisition, P & G and its subsidiaries now owns 949,928 AIC ordinary shares (16 per cent). It also owns 140,500 convertible preference shares.

It has also been agreed that RIT and Northern will subscribe in cash for 300,000 new ordinary shares of 25p each in P & G at a subscription price of £1.70 per share. This holding amounts to 8.34 per cent of the increased issued ordinary share capital of P & G.

* * *

The offer by the Atlanta Baltimore and Chicago Regional Investment Trust for Construction Holdings has been declared unconditional as to acceptances.

Acceptances were received by December 22, 1983 in respect of 691,304 (72.77 per cent) Construction ordinary shares. The offer has been extended to 3 pm on January 6, 1984 and the preference share alternative will close on that date.

* * *

The offer by Promotions House for Berkeley and Hay Hill has been declared unconditional in all respects.

* * *

S. Jerome and Sons (Holdings) has agreed to sell its electronic communications and alarm systems subsidiary, Davis Security Communications, to the Cass Group.

Total consideration for the sale is to be equivalent to the net book value of Davis as at December 31 1983, which has been estimated to be in the region of £650,000.

* * *

CPU Computers' offer for Computer Ancillaries has attracted acceptances of 331,400 shares, being approximately 93.1 per cent of the 356,000 shares, the subject of the offer. Prior to the offer, CPU held 144,000 shares.

The offer is now fully unconditional and remains open until further notice.

Also, CPU has completed the purchase of Personal Computers International, for a consideration of 40,000 new CPU ordinary shares, after having received the PCI audited accounts for the period to November 30, 1983.

SHARE STAKES

My Dart—S. Marks has disposed of 200,000 ordinary shares, reducing total to less than 5 per cent.

Johnson Matthey—Following directors have acquired ordinary shares: Dr J. E. Hughes 10,000; R. G. Wheeler 3,000; J. A. Stevenson 1,000; E. B. Bennett 500.

Cope Allman—M. E. Doherty, director, has acquired 25,000 ordinary shares, increasing total holding to 75,000 (0.19 per cent).

Gieves Group—G. M. Nutbrown, director, has disposed of 8,000 shares.

Whitbread—Mrs J. Whitbread, director, has purchased 5,000 "B" ordinary.

A. Guinness and Son—Lord Iveagh, director, has disposed of 50,000 ordinary, leaving total holding 3,758,831 (2.13 per cent).

Lawrie Group—Longai Valley Tea has acquired 21,000 ordinary, making total holding 27,500 (1.08 per cent), and Isa Bheel Tea bought 5,578 ordinary, increasing holding to 6,578.

R.F.D. Group—A. G. Macpherson, director, has purchased 10,000 ordinary at 83p per share.

Crosby Woodfield—D. L. Baxendell, director, has sold a total of 450,000 ordinary shares. Habit Precision has bought 1.5m ordinary (6.94 per cent).

Granada Group—C. G. Stanton, director, has sold 75,000 "A" (limited voting) ordinary shares (0.048 per cent).

Pilkington Bros—Following directors have each sold 525,000 ordinary shares at 219p: L. N. Wall, J. A. S. Leighton-Boyce, Sir Alastair Pilkington, D. F. Pilkington and A. R. Pilkington.

Tarmac—Francis Parker disposed of 175,000 ordinary shares. W. K. Jackson, director, sold 9,000 at 422p per share.

Associated Telecommunications—Consult International has purchased a further 35,000 shares.

Slough Estates—Baring Brothers purchased 289,300 ordinary shares at 125p for discretionary investment clients.

Britannia Arrow Holdings—United Kingdom Temperance and General Provident Institution has increased holding to 29m (19.43) per cent.

A. and J. Mucklow—T. Mucklow, director, has disposed of 141,160 ordinary, leaving total holding 3,238,364 (6.22 per cent).

American Oilfield Systems—Oilfield Systems Corporation has purchased 58,500 shares

Fine Art Developments—Mayflower Finance (Burton) has sold 110,391 shares resulting in reduced beneficial holdings as follows: F. R. Kerry 79,482, R. F. Kerry 30,909.

Wheway Watson Holdings—E. R. Jeynes, director, has purchased a further 70,000 ordinary, bringing holding to 157,000.

International Signal and Control Group—James H. Guerin, director, has made a gift of 500,000 ordinary shares to charity. His holding is reduced to 20,700,944 shares.

Avon Rubber—The 900,000 (13.56 per cent) ordinary notified last January as owned by Mr James O'Hara, were owned by Transactors Establishment of Veduz Liechtenstein. Transactors has conferred on Mr O'Hara the authority to exercise all rights over these shares.

Oxford Instruments GP—Y. F. Investments has sold 582,000 ordinary shares and now has 3m (approximately 6.77 per cent). YF has no intention of making any further sales. The shares sold have been placed with institutions.

Parkdale Holdings—N. A. McMahon Turner director, now hold 545,700 ordinary shares (5.07 per cent).

Gerard National—Kuwait Investment Office has acquired 250,000 ordinary shares (0.8 per cent) and now holds 2,375,000 (7.9 per cent).

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
115	F.P.	13/19	176	130	✣Aspinall Hldgs 10p	130	.....	bg3.0	3.7	3.3	11.8
33	F.P.	21/19	34	28	✣Brewmaker 1p.	30	.....	—	—	—	19.2
¶435	200	10/2	020	158	Brit. Petroleum	165	.....	20.25	1.9	7.2	11.1
¶270	100	—	110	90	Cable & Wireless 50p	108	−2	h5.47	3.8	7.2	4.7
¶75	F.P.	—	70	68	Dataserv Inc. 0c	68	.....	bQ1.5	5.1	1.5	18.3
§54	F.O.	14/18	54	48	✣Federated Housg 5p	50	.....	b2.46	2.4	7.0	8.3
§IR77	F.P.	26/11	66	63	✣Flogas 10p.	63	.....	u033.8%	3.6	3.7	10.2
95	F.P.	—	96	22	Hanora 10p	25	−1	02.8	2.6	4.2	12.8
§137	F.P.	—	140	138	✣High Point Serv. 10p	138	.....	u3.0	3.9	3.1	11.0
§80	F.O.	—	87	85	✣J'hnsn&Jorg'nsn 10p	87	.....	03.15	2.2	5.2	12.0
§139	F.O.	—	177	168	✣Konyon Securities	177	...	b9.38	1.7	7.6	10.9
¶100	F.O.	—	155	136	Ldn. & Edin'gh Tst. 10p	138	...	b0.25	2.5	5.4	8.7
§40	F.P.	—	41	38	✣MME facilities 10p	38	.....	b0.7	3.3	2.6	12.9
¶96	F.P.	16/1	101	93	✣Mabon 10p.	94	.....	03.4	2.0	5.1	15.1
§125	F.P.	—	240	215	✣Meray F. Malt'gs 5p	226	.....	07.0	2.7	4.4	8.3
§90	F.P.	16/12	109	97	✣Page (Michael. 5p	108	.....	01.4	3.3	1.9	21.4
§53	F.P.	—	41	34	Dalma Group	41	+1½	u02.0	0.8	7.0	28.1
§140	F.O.	—	165	145	✣Poricom 10p	156	.....	u1.7	4.9	1.6	16.0
§26½	F.O.	6/1	32	27	✣Orotimatar 5p	32	.....	u0.7	2.7	3.1	16.7
100	F.P.	—	92	85	✣Synterials 10p	92	.....	—	—	—	—
¶90	F.O.	13/1	93	91	✣Tay Homes	91	.....	u4.1	2.1	6.4	9.3
§135	F.P.	—	140	135	✣TyneTeesTVAN V'L	138	.....	8.25	2.4	8.5	7.1
¶130	F.O.	—	135	131	V G Instruments 10p	134	.....	b1.4	6.6	1.5	15.2
¶110	F.O.	16/12	150	108	✣V. W. Thermax	146	.....	u5.25	1.8	6.2	18.5
—	F.P.	—	29	24	Witan Inv. Wrrnts	27	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
‖	Nil	—	24pm	17pm	Arlen Elect. 11¾% Cnv. Ln. 1990	20pm	−5
100	F.O.	6/1	102	101½	Bristol Waterworks 6.5% Red. Prf. 1988	102	.....
99	£10	—	10½	9½	Colne Valley Water 5% Red. Prf. '90	10	.....
¶ ¶	F.O.	9/2	199	115	Crystalate 8½% Cnv. Ln. 2005	128	−1
99.15	£25	—	25¾	24¾	Elf (U.K.) 10¼% Uns. Ln. '91	25¾	+¼
—	F.P.	—	103	101	External Inv. 8% Cnv. Ln. 2003-08	103	.....
• •	F.O.	5/1	190p	250	Fisher (A.) 7% Cnv. Prf.	120p	+5
100	F.P.	27/1	81	90	Gen. Finance N.V 11.31% Ln. 2007	20½	.....
99.714	£30	26/4	32⅝	30	Int. Bk. for Res. & Dev. 11.6% Ln. 2003	32⅛	+⅛
97.268	£95	23/1	09⅞	25	Ireland 12¾% 2008	29⅛	+⅛
‖	£30	10/11	45	30½	Lon. Shop Prop. 8pc Cnv. 94/99 Ser II.	43	−1
§100	£10	—	12¼	10¾	Mid Kent Wtr. 10pc. Red Deb. 1993	12⅛	.....
—	F.P.	—	100⅛	88¾	Nationwide 10⅛% Bds. 3/12/84	100	.....
—	F.O.	—	100 1/16	100 1/16	Do. 10½% Bds. 24/12/84	100⅛	+⅛
¶ ¶	F.O.	—	30p	29p	Palma Group 3½% Cum. Prf. £1	30p	.....
99.44	£25	—	25¾	85½	Queens Moat 12% 1st Mort. Deb. 2013	35⅛	.....
99.893	£30	—	30⅝	29¾	Spain 12% Ln. 1988	30⅝	+⅛
100	F.O.	3/2	102	102	Sund'ld + S.Shields Wtr 6½% RPF. 1989	102	.....
§100	F.P.	—	102¼	100⅝	Tend. Hundred Wtr. 12pc Red Deb 1993	102	.....
¶99½	F.P.	—	102	101½	West Kent Wtr. 5.25pc Red Pref. 1988	101½	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or −
349	F.O.	—	—	450	340	✣Air Call	440	−5
26	F.P.	—	15/18	45	31	Bargot	37	.....
52	F.O.	—	13/1	71	55	Charterhall 0p	68	−1
100	F.P.	—	15/12	123	115	Haywood Williams	123	.....
25	F.P.	—	30/10	37	29	Manson Fin. 10p	35	.....
300	Nil	—	—	00pm	33pm	✣McCarthy & Stone 00p	30pm	+2
20	F.P.	—	10/12	30	28	Phicom 10p	30	.....
96	Nil	—	15/1	103	90	✣Pineapple Dance 10p	100	.....
C$14⅝	Nil	—	—	14pm	7pm	Toronto Dom. Bk.	7pm	−1
85	F.O.	—	4/1	107	90	Ward White	102	.....
—	‖	—	21/11	176	133	Western Mining Options	176	.....

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. (or fully-paid). ● Provisional or partly-paid allotment letters. ✣ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters ↑ Effective issue price after scrip. † Formerly dealt in under special rule. ✣ Unlisted Securities Market. C Canadian.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
Allied Colloids	Jan 12	Interim 0.65
Assoc Dairies	Jan 26	Interim 1.25
*Assoc Newspapers	Jan 12	Final 9.9
Berisford (S. and W.)	Jan 17	Final 6.0
Bio-Isolates	Jan 21	Final nil
Brown (John)	Jan 23	Interim nil
Dalgety	Jan 25	Interim 1.925
*Daily Mail and Gen Trust	Jan 12	Final 20.0
Davy Corpn	Jan 20	Interim 1.1
Dixons	Jan 20	Interim 1.45
Dowty	Jan 24	Interim 1.65
*Electronic Rentals	Jan 5	Interim 1.667
Esta Prop Inv.	Jan 19	Interim 2.75
*Eurotherm Intnl.	Jan 19	Final 4.5
Fitch Lovell	Jan 27	Interim 2.17
Gold Flds SA	Feb 1	Interim 180c
Guinness (A.)	Jan 25	Final 3.66
Henlys	Feb 2	Final 0.1
*Hogg Robinson	Jan 10	Interim 3.0
Kenning Motor	Jan 11	Interim 3.75
Macarthys Pharmaceuticals	Jan 25	Interim 2.0
Magnet and Southern	Jan 12	Interim 1.7
Mercantile House	Jan 25	Interim 5.0
MFI Furniture	Jan 20	Interim 1.4
Prop Security Inv Tst.	Jan 20	Interim 0.5
*Racal Electronics	Jan 17	Interim 1.391
Rank Org	Jan 25	Final 3.2
Raybeck	Jan 7	Interim due
5G9	Jan 17	Final 3.9
Samuel (H.)	Jan 10	Interim 1.5
*Stead and Simpson	Jan 12	Interim 1.0
Stock Conversion	Jan 24	Interim 1.75
Tate and Lyle	Jan 19	Final 9.5
Thorn EMI	Jan 14	Interim 4.05
*Trident TV	Jan 17	Final 3.0
Trusthouse Forte	Jan 19	Final 5.5
*Union Discount	Jan 25	Final 17.0

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
17⅞	8⅝	AAR	.44	2.7	20	154	17	16½	16½	-¼
52⅝	30½	ACF	1.40	2.8	237	641	50	49	49¾	+¾
21⅞	18¼	AMCA	n			3	u22	21⅞	22	+⅜
18⅝	14¾	AMF	.50	3.1		432	16⅝	16	16⅛	+⅛
39¾	18½	AMR Cp			16	1323	36⅝	35½	35⅝	-⅛
19½	15	AMR	pf2.18	12		13	18⅝	18⅝	18⅝	
40¾	24⅝	AMR	pf2.13	5.7		108	37⅝	37½	37½	+⅛
16¼	3⅛	APL			22	15	15⅛	14⅞	14⅞	-¼
56¼	33¾	ARA	2.05	4.1	11	23	50¼	49⅜	50	
79⅝	50¼	ASA	3a	5.4		250	55⅝	55⅛	55¼	-⅛
33¼	14	AVX	s .32	1.2	41	66	27⅞	27⅛	27¼	-⅝
53⅛	38¼	AbtLab	1	2.2	17	2184	45½	44⅞	45¼	-¼
30¼	23⅜	AccoW	n.60	2.3	19	15	26½	26½	26½	-⅛
27½	17⅛	AcmeC	.40	1.6		56	25	24⅝	25	-¼
14⅝	7⅞	AcmeE	.32b	2.9	350	19	11⅛	11	11	-⅛
24⅞	8⅞	AdmDg	.04	.2	14	18	19⅛	18⅝	18⅝	-⅜
18⅝	15	AdaEx	1.73e	9.7		50	17¾	17¼	17⅞	
19¾	7¼	AdmMl	.24	1.5	8	25	16⅛	15¾	16	+⅛
18⅝	8¾	Advest	.12	1.0	7	137	11⅞	11½	11⅝	-⅛
35½	12⅞	AMD	s		56	712	33⅛	32½	33⅛	+¾
24⅝	17⅜	Aeflex	s		17	26	17	16½	16½	-½
45½	32⅞	AetnLf	2.64	7.4	9	1979	35¾	35⅜	35¾	+⅛
40½	22½	Ahmns	1.20	3.9	8	563	30⅝	30¼	30⅝	+⅛
7⅝	2¾	Aileen				78	5⅛	4⅞	5	
51	33⅝	AirPrd	1	2.2	13	329	45	44½	44⅞	+⅜
30⅞	13⅜	AirbFrt	.60	2.0	24	25	29⅝	29¼	29½	+⅛
2⅝	1⅛	AlMoa	s		22	10	2⅜	2⅛	2⅜	-⅛
7⅝	6½	AlaP	dpf.87	13.		47	6⅝	6½	6⅝	+⅛

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Continued on Page 15

مكتبة الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 16

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 14

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25¼	22¼	UtPL	pf2 80	12		2	23½	23½	23½	−⅛
27	22½	UtPL	pf2 90	12		6	24½	24½	24½	
		V-V-V								
41⅛	17⅞	VF Cp	s		9	358	31⅛	30½	31⅛	
36¾	17½	Valero	.44	2 1	0	1010	21⅛	20⅞	21	+⅛
27	24⅜	Valer	pf3 44	14		26	24⅝	24½	24⅝	+⅛
7⅝	4	Valeyln				32	5¼	5	5	
27⅜	16	VanDm	1 20	4 4	16	23	27¼	26¾	27¼	+¼
9½	5	Varco				55	6½	6½	6½	

Continued on Page 16

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

WALL STREET

Consumer cheer heartens

GOOD FORM emerged on Wall Street yesterday with leading stocks moving higher in a generally more confident trading mood. Turnover remained subdued after Monday's holiday but stocks proved largely able to sustain their early gains, *writes Terry Byland in New York.*

The bond market also held on to opening advances although turnover there was particularly slack.

The Dow Jones industrial average closed 13.21 up at 1,263.72.

The announcement of record Christmas sales at Sears, the largest U.S. retailer, confirmed market confidence that consumer spending remains strong. This confidence was further encouraged by last week's moderate forecast of GNP by the Commerce Department which is believed to have lessened the likelihood of a credit clampdown by the Federal Reserve.

After the uncertainties of the past month, investors were cheered yesterday by a batch of predictions from analysts at major broking firms that interest rates might fall in the new year.

Friday's news of a $2bn fall in M1 money supply was welcome but largely expected, although the market was pleased to read in the minutes of the November meeting of the Fed's Open Market Committee that there had been no change of credit policies.

The credit markets remained subdued by the $15bn in treasury financing due this week, led by yesterday's auction of $6bn in four-year notes.

Three-month treasury bills, discounted at 8.91 per cent were a few basis points down from Friday night, as were the six-month bills discounted at 9.09 per cent. But the key 2013 long bond traded at 101 13/32, a net gain of 13/32, to yield 11.80 per cent.

SOUTH AFRICA

BANKS were in demand in an otherwise thin day in Johannesburg after prime rate rises to 20 per cent promised better lending margins. Volkskas rose 50 cents to R11 and Trust Bank 20 cents to R2.50.

Markets remained closed yesterday in the UK, Australia, Hong Kong, and Canada. Japanese markets, after a half-day's business today, will close for new year until Wednesday January 4.

TOKYO

Confidence vote for coalition

INVESTORS reacted favourably yesterday to Monday's formation of a coalition government by the Liberal-Democratic Party (LDP) with the New Liberal Club in the wake of the LDP's severe setback in the December 18 general election, with the Nikkei-Dow average scoring yet another all-time high, *writes Shigeo Nishiwaki of Jiji Press.*

The judgment apparently was that the coalition of conservative forces would provide more stability to the government.

The 225-issue indicator, which shot up more than 141 the previous day, closed 37.37 higher at 9,883.94, after temporarily topping 9,900. Gains outpaced losses 419 to 273, with 142 issues unchanged.

Trading totalled 571m shares against 625.41m the previous session. Volume leader was Nippon Express, with 25.06m shares traded.

The previous day's bullish mood remained in the market and quite a few investors placed orders to buy a wide range of issues in anticipation of higher prices after the year-end and new year holiday season.

Reflecting the active stock market, brokerage houses were selected, with Daiwa Securities advancing Y17 to Y474. Trading houses were also in the plus column.

Blue chips advanced on small-lot buying in the morning. But the buying dwindled in the afternoon. Major gainers among blue-chip issues were Fujitsu, Matsushita Electric Industrial and Toyota Motor, which soared Y20 each to Y1,320, Y1,970 and Y1,490 respectively.

With the approach of the new year, the bond market saw virtually no movement. The yield on the barometer 7.5 per cent government bonds, maturing in January 1993, edged down one basis point to 7.39 per cent.

EUROPE

Vigorous assault on peaks

FESTIVITIES were by no means over for the year on the European bourses yesterday as surprisingly vigorous buying activity took Dutch and Swiss shares to new records while the Belgian, French and Norwegian markets climbed more cautiously but none the less succeeded in establishing 1983 peaks.

Stores group Ahold led Amsterdam higher, up 2.3 as measured by the ANP-CBS general index which finished at 151.9, with business done after its calculation remaining by and large firm. The grocery chain jumped Fl 13 to Fl 199, reflecting demand for its outstanding warrants.

A similary broad front of buying was encountered in Zurich, where nearly all the Swiss Bank indices broke new ground, as did the Credit Suisse marker.

Domestic bonds suffered from switching into the rising stock market.

Frankfurt was quiet by comparison but aided by late foreign demand after the computing of the Commerzbank index, 1.4 stronger at 1,033.1 and just 0.9 off its peak.

A mixed to firm **Paris** result included a FFr 8 dip for Bouygues at FFr 695 and a seasonal FFr 30 gain in Moët-Hennessy at FFr 1,400. Brussels was featured by Bekaert, ahead BFr 90 at BFr 3,600, while Milan showed Italmobiliare off L1,890 at L45,300 but Fiat L59 stronger at L3,379.

Stockholm was brought to an early halt by a power failure, but the tone was beginning to improve from a weak opening. Pharmacia encountered U.S. support but stayed SKr 4 lower at SKr 325 after a strong showing last week.

The other record-setter, Oslo, had Norsk Data NKr 1.50 higher at NKr 277.50. Copenhagen slipped, as did Madrid.

SINGAPORE

A SMATTERING of buying interest was found amid muted Singapore profit-taking to leave the Straits Times industrial index 0.38 firmer at 987.98.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 15

NEW YORK CLOSING PRICES

Continued from Page 15

Indices

U.S. INDICES, CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

(** Saturday December 10: Japan Nikkei-Dow (c); TSE (c). Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

BHF Bank bond average		
Dec 27		Previous
98.114		98.144
High	1983	Low
102.017		97.699

£7m orders for Boot in Hong Kong

HENRY BOOT has been awarded over £7m worth of contracts in Hong Kong. The bulk of the work, worth £6.25m has been awarded by the Hong Kong Government's engineering department for work on the Kowloon-Canton railway, where Henry Boot recently completed over £9m of railway and civil engineering work. A transport interchange is to be built at Mongkok station for £3.25m.

The project comprises the construction of an insitu reinforced concrete podium structure above a future railway goods yard and existing electrified tracks. And Fo Tan station is to be modernised at a cost of £3m. A new station building including entrance tower and bridge, platforms, staff quarters, forecourt and landscaping works is to be built.

The work will be carried out around live electrified railway tracks, and will be completed in phases to allow one of the three tracks passing through the station to be kept in operation throughout the 85-week contract.

Finally, extensive renewal and maintenance work is to be carried out on tram trackwork over a three-year period for Hong Kong Tramways under a £900,000 contract.

*

BALFOUR BEATTY CONSTRUCTION has been awarded two orders with a combined value in excess of £1.1m. A contract has been placed by Liverpool Racket Club for the conversion of Hargreaves Buildings, Chapel Street, Liverpool, into club premises. The contract is valued at £942,000 and entails the demolition and refurbishment of a three-storey listed building. On completion it will incorporate squash courts, snooker room, dining room, bars and other leisure facilities. Work is scheduled for completion in 68 weeks. The London Midland Region of British Rail has awarded a contract valued at £217,000 to Balfour Beatty, involving the construction of three reinforced concrete ramps on platforms 1-3 and 4-6 at Derby Station. Alterations to the existing subway, provision of modular buildings and alterations to existing buildings are also included. The contract commenced in November for a duration of 24 weeks.

CONSTRUCTION CONTRACTS

£17m work for Lovell Construction

Contracts worth £17m for commercial premises and housing have been won by LOVELL CONSTRUCTION companies. Largest of the commercials is the £3.9m civic offices for Surrey Heath Borough Council. The offices are to be built at Camberley, the plan being in the form of a half octagonal in brick under a tiled roof with gable windows relieving the mass. The net office area is 4,500 sq metres and the contract is scheduled for completion in 77 weeks. Lovell Construction (Southern) is also to build a supermarket shell for Safeway at Eastbourne (£950,000, a five-floor extension at Redhill Technical College (£870,000) and a £350,000 conversion of the Hills of Hove store into 10 shops.

Lovell Farrow, the recently-created company in the London area, has started on alterations and extensions for Barclays Bank, Holloway (£688,000), and will shortly begin a three-storey office block at Wallington (£578,000). It is also carrying out alterations to two floors at Speedbird House for British Airways (£257,000).

The housing contracts are headed by a £4.7m project at Lady Dock in the Docklands redevelopment area. This includes 112 houses and 24 flats to be built over the next two years. F. Rendell is finalising details so that a start can be made soon on a £2.6m scheme, in partnership with Kingston Borough Council, for 150 low-cost homes at New Malden; Lovell Southern is to build 64 units at Forest Park, Bracknell.

*

NORWEST HOLST has been awarded contracts totalling over £5.64m. A contract valued at £3.4m has been started by Norwest Holst Civil Engineering. Awarded by the Transport and Engineering Department of West Midlands County Council, it calls for the completion of Stage II, Small Heath By-Pass, Birmingham. In addition to the construction of 2 km of dual carriageway, Norwest Holst will also provide two roadbridges over a river together with a footbridge.

Hertfordshire County Council has awarded an advanced bridgeworks contract for the Watton-at-Stone Bypass Phase I structured project. Valued at £823,980, the contract includes the provision of two reinforced concrete bridges over the River Beaune and an RC overbridge. Completion is scheduled for March 1984.

Over £1.3m is being allocated by British Rail London Midland Region on repairs to the train shed roofs at Liverpool's Lime Street Station. Norwest Holst were awarded the contract after proving it was possible to complete the essential roof repairs without disruption to the busy train schedule below. By using a special and highly complex system of scaffolding, Norwest Holst will remove all the life expired bitumen roof covering and renew all the roof boarding rafters and bearers. Work is expected to last for a period of 64 weeks.

*

A £4.3m contract for the detailed design and construction of a British High Commission building in Ghana has been awarded by the Foreign and Commonwealth Office to TAYLOR WOODROW INTERNATIONAL. The building, which will provide 2,200 sq metres of air-conditioned office space in Accra, is due for completion in May 1986. The offices will be steel-framed with reinforced concrete foundations and floors.

*

GEORGE WIMPEY has won contracts worth £3.78m. The Birmingham office has been awarded a £3.3m contract to build a factory, warehouse and offices for Telford Development Corporation. The development will be used by the Japanese reprographic equipment manufacturer, Ricoh. Work on site in Priorslee, Telford, is to start on January 9 and completion will be on November 4. Construction of an L-shaped three-storey office block in Bank Street, Irvine, Ayrshire, has been awarded to the Glasgow office by Irvine Development Corp. With an area of about 1,600 sq metres, the block will be of traditional construction with in-situ precast ground slab and precast concrete upper floors. The contract is valued at £485,000 and is scheduled for completion in November.

*

WILTSHIERS start work soon on a £3.75m contract for Thorn EMI at Hayes. It is a package deal for new Central Research Laboratories and is due for completion in autumn 1984. The laboratories are to be built on the site of the old Sheraton Works on Dawley Road and will provide in excess of 10,000 sq metres of technical and administrative accommodation.

*

A contract worth around £3.3m has been awarded to JOHN WILLMOTT HOUSING for 136 houses and flats near London's Heathrow Airport. The contract, awarded by the British Airways Staff Housing Society, is for 70 two-storey houses and 66 flats in seven blocks of two and three storeys, together with roads, sewers and ancillary works at Neno Gardens, Hanworth, Middlesex.

*

COSTAIN PROCESS has been awarded a contract by Abu Dhabi National Oil Company for Distribution (ADNOC-FOD) to undertake procurement, erection and commissioning of additional tankage at its Umm Al Nar Terminal Phase 2. Work on the project, worth about £3m, involves the installation of six storage tanks between 15 and 42 metres in diameter for refined products, including associated pipework, electrical and instrumentation systems and modifications to tie the facilities into the existing complex.

*

The Mid-Glamorgan Health Authority has awarded further contracts for work at East Glamorgan General Hospital to S. WERNICK & SONS. The two contracts are for an extension to the nurse training unit and school of midwifery and a new child assessment unit. The total value of these latest contracts is £87,000.

*

Marconi Space and Defence Systems has awarded PRESCO BUILDINGS a contract worth nearly £200,000 for providing additional office accommodation totalling some 1,284 sq metres at Marconi, Stanmore. The largest office complex, forming two-thirds of the accommodation, has been installed on the flat roof of an existing building. All that was needed was to crane the modules onto the roof for connecting together and to main services to form the finished offices.

*

HARLOW BROS. has been awarded a contract worth US$2.2m (£1.51m) by the Animal Production Islamic Co. of Cairo to build a laying farm for poultry to produce 30m eggs per year. It will be completely automated with its own feed mill and generating plant.

Espley-Tyas busy with £7.5m work

Contracts for extensions to a Sainsbury's superstore, a residential development in Milton Keynes, and offices in Swindon make up about £5m of the £7.5m-plus work awarded to ESPLEY-TYAS CONSTRUCTION, part of the Espley-Tyas Property Group. The largest contract is for a 44,000 sq ft office/retail development at Swindon for London and Manchester Assurance Company. Seventy-three bungalows are to be built at Milton Keynes for Chadwick Homes and a 40,000 sq ft extension to the North Worle, Weston-super-Mare superstore is for J. Sainsbury.

*

WILLETT has been awarded five contracts worth £6.9m. The major work is for Courage Brewery at Reading where Willett has two contracts. The projects entail construction of an extension to house eight fermentation vessels and completion of the existing brewhouse to accommodate three new vessels. Willett is also building a steel framed distribution depot which will include a mezzanine floor incorporating two-storey offices. At Staples Corner in North London Willett has won a £2.2m contract to build four industrial units. The project is a development by British Rail Pension Funds and will provide around 6,000 sq metres of accommodation for retail and industrial use.

*

WALTER LAWRENCE CONSTRUCTION has been awarded a £5.75m contract on behalf of the North West Thames Regional Health Authority to build an extension to Hemel Hempstead Hospital (West Herts wing). It will consist of a six-storey, L-shaped main block with wards, operating theatres, a part rehabilitation department and kitchen, as well as a single-storey gymnasium. The project includes part demolition and alteration to the existing boiler house, and construction of a subway between the main block and the existing X-ray department.

*

PLESSEY RADIO SYSTEMS is to provide the Ministry of Defence with microwave radio links worth £1.5m for use in the Falkland Islands. The radio equipment will be an integral part of a military communications system for the Islands. The first delivery will take place later this month and will include a link for use in the Royal Signals trade training school at Catterick. All deliveries will be completed by March 1984.

*

Occidental Petroleum (Caledonia) has placed an order worth £500,000 with STROMBERG (UK) for SAMI variable speed drives and associated electrical equipment for the Piper Alpha oil production platform in the North Sea.

*

ALLEN BROTHERS CONTRACTORS has won contracts worth over £1.7m. The largest, valued at £715,000, is for restoration works at the Albert Dock, Liverpool. The contract will be completed in time for the visit in August 1984 of the Cutty Sark Tall Ships Race. Other work includes the redevelopment of warehouses at Wallgate (£260,000); refurbishment of four blocks of flats at Skelmersdale (£300,000) and ward reconstruction at Rainhill Hospital (£145,000).

*

ALAN DICK AND CO of Cheltenham has won a £5m contract to set-up a UHF television station in the Nigerian state of Gongola. Under this contract Alan Dick is mounting a "turnkey" operation as main contractor for the project. Engineers based at Alan Dick's Nigerian associate company in Lagos will work in conjunction with a number of sub-contractors including Pye TVT of Cambridge, who are providing studio equipment and two 10 kw transmitters. Generators and other electrical equipment will be purchased in Nigeria. The station will transmit from a 500 ft mast and transmitting antenna system, which will be made in Cheltenham and air-freighted to West Africa before the end of the year. The first signal is due to be transmitted early in 1984.

APPOINTMENTS

Senior posts at Willis Faber

Mr A. A. Gregory has been appointed chairman of WILLIS FABER AND DUMAS (UK) from January 1. He succeeds Mr F. K. Thomson, who is retiring. Mr R. B. Kevills has been appointed chairman of Willis Faber (Underwriting Management), Sovereign Marine and General Insurance Company, Devonport Underwriting Agency and Devonport Insurance Company, also from January 1. He succeeds Mr H. E. Gumbel, who is retiring.

*

Mr G. P. Wough, a director of ANDERSON STRATHCLYDE'S engineering division and general manager of the tunnelling equipment unit at Glasgow, is to retire on December 31. He is succeeded by Mr J. W. Menzies, currently technical director of the coal face equipment division. Mr K. Mackie will become technical director and Mr E. Chivers marketing director (UK), of the coal face equipment division.

*

BUCK AND HICKMAN, a wholly owned subsidiary of Sterling Guarantee Trust, has appointed the following directors from January 1. Mr Colin Treasure, commercial director, Mr Roger Donkin, director, Midlands region and Mr Colin Dunlop, director, data processing.

*

The UK OFFSHORE OPERATORS ASSOCIATION (UKOOA) has elected the following officers: Dr J. S. Jennings, managing director, Shell UK and managing director, Shell UK Exploration and Production, becomes president; Dr W. P. Doyle, president of Texaco North Sea UK Co and managing director of Texaco Ltd, is made vice-president (England); Mr D. G. Marrs, chairman and president, Mobil North Sea, has been appointed vice-president (Scotland); Mr W. R. Scheidecker, managing director, Arco Oil Producing, Inc, is honorary treasurer and Mr W. J. Sheptycki, managing director, Ultramar Exploration, honorary secretary. The Association is an organisation whose members are the oil and gas companies which are designated operators of licences on the UK Continental shelf.

*

Mr Brian H. de Mattos has been appointed manager, financial planning, at the FORWARD TRUST GROUP's Birmingham business centre. The Forward Trust Group is the consumer and asset finance subsidiary of Midland Bank.

*

The ROYAL ORDNANCE FACTORIES (ROFs) have appointed Mr Keith Stuart, chairman of Associated British Ports Holding, to the board as a non-executive director. A Bill is currently before Parliament to allow for the incorporation of the ROFs under the Companies Acts.

*

Dr Colin Phipps, chairman of Clyde Petroleum, has been elected chairman of BRINDEX (the Association of British Independent Oil Exploration Companies) for 1984. Mr Anthony Craven-Walker, managing director of Charterhouse Petroleum, was elected vice-chairman; Mr David Boyd, managing director of Goal Petroleum, was elected as honorary treasurer and Mr Roland Shaw, chairman of Premier Consolidated Oilfields, was elected honorary secretary.

*

HFC TRUST AND SAVINGS has appointed Mr Kenneth G. Aspinall as manager of its City office. He will be responsible for the commercial banking activities within the City of London. Formerly, Mr Aspinall was a director of Anthony Gibbs and Sons in charge of the commercial banking department.

*

Mr Norman W. Jones, a director and until his retirement on November 30, chief executive of the Lloyds Bank Group, has been

Mr Norman W. Jones, director of Lloyds Bank International.

appointed a director of LLOYDS BANK INTERNATIONAL from May 1. He will remain on the board of Lloyds Bank and will become a deputy chairman of that bank.

*

Dr D. H. C. Taylor has been appointed deputy managing director of RICARDO CONSULTING ENGINEERS. Mr D. Broome, a director, has taken on responsibility for automotive diesel engine development and engine lubricants testing.

*

The Britannia Group of Investment Companies has formed a new subsidiary, BRITANNIA ASSET MANAGEMENT, which will provide investment advice to each of the individual fund management companies within the group. The directors are: Mr S. A. Goldsmith, chairman; Mr N. M. M. Riddell, managing director; Mr D. S. R. Finning, Mr D. L. P. Hill, Mr B. P. Quinton, Mr D. C. Gillan and Mr D. Hypher. Mr Finning, Mr Hill and Mr Quinton are directors of Britannia Group of Unit Trusts. Britannia Asset Management has also appointed the following as associate directors: Mr A. Brown, Mr G. Robertson, Mr R. Warburton, Mr D. Gould and Mr H. Ward. Other subsidiary companies have made the following appointments: Mr R. Bagge and Mr D. Priest as directors of Britannia Group of Unit Trusts. Mr C. Thornton as a director of Britannia Portfolio Managers. Mr B. Reading as an associate director of Britannia Institutional Fund Management and Mr P. Mitchell as an associate director of Britannia Group of Unit Trusts.

*

Mr B. W. J. Manning has been appointed to the board of KLEINWORT, BENSON from January 1.

Mr P. S. Knight has resigned from the board of STAFFORD KNIGHT AND CO.

*

Mr James Laurenson has been appointed a non-executive director of BLACKWOOD PILLANS & WILSON following the recent amalgamation of two long established Scottish printing businesses. Mr Laurenson is a director of Japan Assets Trust, United Scientific Holdings and Adam and Co.

*

CLUTTONS has appointed Mr Alistair Davidson its director of research.

*

Mr David R. Best, a director of LINK PAPER, has been appointed to the new post of commercial director. He was previously marketing director. Mr William E. Jarratt, managing director, has left the company.

*

EXETER TRUST, a banking subsidiary of Provincial Insurance, has appointed Mr Martin Sowman, head of marketing and Mr John W. Ross, a general manager of the Provincial Insurance, to its board.

*

Mr Nick Hollis has been appointed managing director of COMPUTER PERIPHERALS (SYSTEMS) (CPS). Mr Eric Lipscombe, former managing director of CPS, becomes executive chairman of Computer Peripherals Limited, the holding company for CPS, European Marketing Consultants and Tridemace, a rentals company. Mr Hollis helped form BASF's computer division in the UK in the late 1960s and held various management positions until being appointed divisional manager in 1979.

*

Mr Norman Garrod has been elected chief Barker (President) of the VARIETY CLUB OF GREAT BRITAIN for 1984. He is chairman of Garrod and Lofthouse, one of Britain's independent printing houses.

*

The Committee of the LLOYD'S UNDERWRITING AGENTS' ASSOCIATION for 1984 is as follows: Mr P. T. Daniels, chairman, Mr D. G. L. Mott, deputy chairman, Mr D. C. Craig, Mr R. M. H. Gilkes, Mr N. C. Haydon, Mr J. M. C. Heynes, Mr R. R. S. Hiscox, Mr C. R. Hunter, Mr A. P. Leslie, Mr A. C. Mitchell, Mr J. R. Robson, and Mr G. J. White.

*

A new company, ARTHUR YOUNG FINANCIAL SERVICES, has been set up in Bristol by Arthur Young McClelland Moores & Co, with Mr Graeme Robinson, formerly assistant area manager for ICFC in Bristol, as regional director.

*

Mr David C. Blundell has been appointed managing director of SOGEMIN (METALS) and SOGEMIN (TRADING) from February 1 1984.

*

Mr Leonard C. Polke has retired as a director of TR AUSTRALIA INVESTMENT TRUST.

*

Mr Peter W. Hall has been appointed managing director of GARNETT · BYWATER, West Yorkshire. Garnett-Bywater is part of the Sandvik Group.

*

Mr George L. J. Hayes has been appointed a main board director of BERNARD MATTHEWS. Mr Hayes joined Matthews Norfolk Farms company as sales and marketing director six months ago.

*

The following appointments within the C. E. HEATH GROUP take effect from January 1. At C. E. Heath and Co (UK) Mr F. J. Hasler is appointed an additional director and Mr T. C. Coster, Mr R. W. Fountaine, Mr. M. R. Heppell and Mr T. P. Newbery are appointed associate directors. At C. E. Heath and Co (London) Mr C. A. Parely is appointed an additional director. And at C. E. Heath and Co (International) Mr D. J. Davies, Mr S. Davis, Mr P. D. Foreman and Mr A. S. Warwick are appointed assistant directors.

*

Mr Hugh C. P. Bidwell, chairman of Pearce Duff, has been elected president of the BRITISH FOOD EXPORT COUNCIL for a second two-year term.

*

Mr Edward W. Knotwell has been appointed to the divisional board of the safety division of HALMA, the environmental control, safety and security group. He remains financial director of Castell Safety Technology, the Halma subsidiary specialising in the manufacture and development of industrial safety systems, and also assumes responsibility for overall financial control of the Halma safety division, comprising Castell Safety Technology, and its manufacturing and marketing companies in the UK, Holland and France.

*

Mr David Gamble has been elected a member of the management committee of THE PENSION FUND PROPERTY UNIT TRUST. He is a director of County Bank and joint managing director of County Bank Investment Management.

*

The British Steel Corporation and the TI Group have formed a new company, SEAMLESS TUBES which will begin trading on December 31. The company comprises BSC tubes division's Plug Mill business at Corby and the TI Weldless business at Wednesfield. The chairman will be Mr George Ashton who will be a non-executive chairman independent of both shareholders; he will continue in this position after his retirement as a director of TI Group early in 1984. The managing director will be Mr Andrew Davis, who is currently commercial manager, Pipework Engineering (PED) within BSC tubes division.

*

At a meeting on December 20 Mr A. J. Struthers, who has been a director of SCOTTISH NATIONAL TRUST since 1973, was appointed chairman to succeed the late Mr R. F. Denholm. Mr Struthers is head of J. and A. Gardner and Co., a Glasgow shipping company.

*

Mr John D. Eccles, a deputy chairman of the Monopolies and Mergers Commission, has been appointed a director of THE BORDER AND SOUTHERN STOCKHOLDERS TRUST from January 1.

Changes at Carless Exploration

Financial Times Reporter

Mr Bernard Lilly will be relinquishing the position of managing director of CARLESS EXPLORATION on January 1, in order to resume a full-time consultancy practice. Mr Lilley will retain his links with the group as a consultant and, for the time being, as a non-executive director of Carless, Capel and Leonard. Dr Eric Bosshard, exploration manager, has been appointed managing director of Carless Exploration from January 1. At the same time Mr John Butterfield, who has been with the group for some 20 years, will join the Carless Exploration board as production director with prime responsibility for the management of the Humbly Grove project. Dr Rob Jones will also join the board as operations director to strengthen the engineering capability.

*

Mr David Parkes and Mr Lucius Cary have joined the board of RADIO WEST.

*

Mr Douglas R. Leslie has been appointed director (estate management) of the BRITISH RAIL PROPERTY BOARD. He was estate surveyor and manager of the property Board's Eastern Region. He is succeeded by Mr Colin J. Smith, chief estate surveyor (management). These changes follow the retirement of the deputy managing director, Mr John L. Sampson and the appointment of Mr J. Peter Ambrose as his successor.

*

Mr John F. Meddins, formerly group finance director of John Laing, has joined the board of the WILLIAM MOSS GROUP. He will succeed Mr M. B. Bailey as financial director on January 1 in anticipation of Mr Bailey's retirement later in 1984.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

MONDAY DECEMBER 26
DIVIDEND & INTEREST PAYMENT—
Fenner (J. H.) 3p

TODAY
BOARD MEETINGS—
Interims:
Energy Fin and Gen Tst
London Private Health
DIVIDEND & INTEREST PAYMENTS—
Cont Illinois Overs Fin NV FltgRtNts 1994 258.33cts
Enia Intnl BV FltgRtNts 1989 269.46
Guest Keen and Nettlefolds 8½pcLn 1989-1998 8¼pc
Hapoalim Intnl NV FltgRtNts 1988 538.92
Housing Fin Agency 2pcIL 1993 1.041c

TOMORROW
COMPANY MEETINGS—
Metamec Jentique, Jentique and Metamec Social Club, Norwich Road, Dereham, 12.00
Mid Kent Water, High Street, Snodland, Kent, 12.00
Yorkshire and Lancs Inv Tst, New Club, 2, Princes Street, Edinburgh, 11.00
Nrthn American Tst, Belsize House, West Ferry, Dundee, 12.15
BOARD MEETINGS—
Interims:
Dollonds Photographic
Stewart Zigomala
DIVIDEND & INTEREST PAYMENTS—
Grupo Pliana SA FltgRtNts 1986 (Br 50,000) 084.35
ICL 0.1p
Leumi Intnl Invs NV FltgRtNts 1986 18¼pc
New Zealand 14¼pc 1987 (Reg) 7⅛pc
Wintrust 0.1p

FRIDAY DECEMBER 30
COMPANY MEETING—
Bolton Textile Mill, Connaught Rooms, Great Queen Street, WC, 12.00
BOARD MEETING—
Interim:
Baldwin (H. J.)
DIVIDEND & INTEREST PAYMENTS—
Advest 6pcLn 1983-88 3pc. 9pcLn 1983-1988 (2nd Ser) 3pc. 10½pcLn 1995-2000 5¼pc
Alexanders 8½pcPf 3.325p
Anglo American Coal 28.26088p
Anglovaal 3pc2ndPf 5cts. 0pcPf 6cts
Argyll Stores 6¾pcLn 1992-2007 3⅜pc
Ash and Lacy 8pcDb 1987-93 4pc
Asprey 6½pcPf 3.25p. 9¾pcPf 4.875p
Assam-Dooars 9pcPf 2.10
Avon Rubber 4.9pcPf 3.45p
BSG Intnl 0.36p
Bampton 8¼pc1stDb 1988-93 4¼pc. 8¼pc Ln 2002-07 4¼pc
Bampton Prop Grp 8½pc1stDb 1983-88 2¼pc. 6¾pc1stDb 1085-88 3⅜pc
Baring Bros 4¼pc1stPf 157.5p. 7½pc2ndPf 2.625p
Barratt Devs 8½pcLn 1992-97 3¼pc
Blackett Hutton 3½pcPf 1.935p
Borthwick (Thomas) Sons 0.01p
Bowater 7pcLn 1993-97 3½pc
Bowyers (Wiltshire) 8½pcLn 1990-05 4¼pc
Bridon 6pcPf 1.05p. 8pcDb 1086-03 4pc. 10¼pcDb 1991-96 3¼pc. 6¾pcLn 3002-2007 3⅜pc. 7¼pcLn 2002-07 3⅝pc
Bristol Waterworks 4pcDb 2pc. 3½pcDb 1¾pc. 4¼pcDb 3¼pc
Burmah Oil 3.5p
Capital and Counties 4.2pcPf 2.1p
Chester WW 9pcDb 1992-94 4pc. 7½pc Db 1991-03 3¾pc
Chloride Grp 7⅜pc1stDb 1985-90 3⅝pc
Coats Patons 1.5p. 4pcPf 1.4p. 9pcPf 2.1p. 4½pcLn 2003-07 2¼pc. 6¼pcLn 2002-07 3⅛pc. 7½pcLn 1990-05 3¾pc
Colman (E. Alec) Invs 8¼pc1stDb 1088-91 4⅛pc
Conoco 7½pcLn 1087-93 3¾pc. 8pcLn 1987-94 4pc
Craigton Combd Secs 8¼pc1stDb 1986-01 4⅛pc
Croda World Traders 7pcPf 3.45p
Dickie Heel 0.2p
Dover Cpn 18.6cts
Elliott (B.) 0.1p
Expamet Intnl 4½pcPf 1.575p
Fitzwilton 8½pcPf 3.1325p
Folkestone District Water 2.8pc (Fmly 4pc) Pf 1.4p. 4.9pc (Fmly 7pc) Pf 2.45p
Folkestone District Water 4pcDb 2pc. 5pcDb 2½pc. 7pcDb 1988-89 3½pc. 10pc Db 1982-84 5pc. 12½pcDb 1984 6¼pc
Foxboro 26cts
Gen Accident Fire Life Assn Cpn 7½pc Ln 1987-92 3¾pc. 7¼pcLn 1993-97 3⅝pc
Genfinance NV FltgRtNts 1082 $540.10
Gill and Duffus 6pcPf 2.1p
Glasgow Stockholders Tst 4pcDb 1074-84 2pc
Gresham Inds 8pcPf 8cts
Guardian and Manchester Evening News 4pcPf 1.4p
Harrisons and Crosfield 6½pcPf 2.275p
Harrison (T. C.) 0.82p
Hawker Siddeley 5.0p
Higgs and Hill 7pcPf 2.45p
Imp Cold Storage and Supply 5½pcPf 5.05139p
Jersey Gen Inv Tst 5p
Laird Grp 8pcLn 1988-08 4pc
Lake View Inv Tst 8½pcDb 1980-85 1¼pc. 5pcDb 1985-40 2½pc
Lex Service 6½pcPf 2.275p. 6½pcLn 1992-97 4¼pc
London and Midland Inds 5pcPf 1.73p. 8½pcDb 1089-94 4¼pc
London and Nrthn Grp 1.7p
Malakoff M$0.5cts
Manganese Bronze 2.17p
Marks Spencer 7pcPf 2.45p
Metamec Jentique 0.01p
Minster Assets 1.8p
New Cavendish Ests (5p) 1p
New London Props 3¼pc1stDb 1007-90 1⅝pc. 3¼pc1stDb 1083-00 2⅝pc
News Intnl 7pc1stPf 2.43p. 6pc2ndPf 2.8p. 7¼pcDb 1088-90 3⅝pc
Nolton 0.9p
Portals Hldgs 6.25p
Porter Chadburn 5pcPf 2.1p
Rea Bros 4.2pcPf 2.1p. 8.425pc2ndPf 2.7135p
Rio Tinto-Zinc 6¾pcLn 1985-90 3⅜pc. 8½pcLn 1905-2000 4¼pc
Ropner 1.75p. A 1.73p. 11½pcPf 5.75p
Royal Bk Scotland Grp 5½pcPf 1.925p. 11pcPf 3.85p
Ruberoid 10½pcLn 1990-95 5¼pc
Safeway Stores 37.5cts
Sage Hols 1.2p
Salinas Y Rocha SA FltgRtNts 1988 $392.78
Scottish Mercantile Inv 6¼pcDb 1083-87 3⅛pc
Smurfit (Jefferson) Grp 6pcPf 1.95p. 10½pc Ln 1975-85 5¼pc
SA Brews (R0.20) 3.7267p. 6.2pcPf 3.5500p. 7pcPf 2.0044p
Sth Staffs WW 2.1pc (Fmly 3pc) Pf 1.05p. 3.5pc (Fmly 5pc) Pf 1.75p. 2.8pc (Fmly 4pc) DudleyPf 1.4p. 4.2pc (Fmly 6pc) Pf 1993-98 2.1p. 4.9pc (Fmly 7pc) Pf 1988-90 2.45p. 3½pcDb 1¾pc. 4pcDb 2pc. 5pcDb 2½pc. 7pcDb 1988-90 3½pc. 7½pcDb 1991-94 3¾pc. 7⅜pcDb 1991-1098 3⅝pc. 9¼pcDb 1998-2000 4⅝pc
Stead Simpson 4½pcDb 2¼pc
Sumner Prods 5½pcPf 1.925p
Sunlight Service 6¼pcPf 3.125p
TI Grp 5.8pcLn 1999-94 2.9pc. 7.7pcLn 1989-94 3.85pc. 9pcLn 1989-94 4.5pc
Tate and Lyle 6¾pcLn 1985-90 3⅜pc
Taylor Woodrow 7½pcLn 1987-90 3¾pc
Tenneco 10pcLn 1991-95 5pc
Thorn EMI 7pc3ndPf 3.5p. 6pcLn 1979-84 3pc. 9½pcLn 1085-89 3¾pc
Tootal Grp 4¼pcDb 2⅛pc. 8¼pcDb 1885-1980 3⅛pc. 7¼pcDb 1085-90 3⅝pc
Transport Dev Grp 6¾pcLn 1989-94 3⅜pc. 7pcLn 1982-87 3½pc. 8½pcLn 1993-98 4¼pc
Turner Newall 6pcDb 1087-92 4pc. 10.1pc Db 1990-05 3.05pc. 11¼pcDb 1993-3000 5⅝pc
Turriff 5½pcPf 1.925p. 6¾pcLn 1083-88 3⅜pc
Unigate 5¼pcDb 1983-88 2⅝pc. 7⅛pcDb 1986-01 3⅝pc. 6½pcLn 1992-97 3¼pc
Unilever 5½pcLn 1991-2006 2¾pc. 7¼pc Ln 1991-2006 3⅝pc
Waddington (John) 7.5p
Walker Crosweller 7¼pcDb 1992-97 3⅝pc
Warne Wright Rowland 8½pcDb 1987-93 4¼pc
West Hants Water 3.15pc (Fmly 4½pc) Pf 15.75p. 3.95pc (Fmly 5½pc) Pf 19.25p. 4.2pc (Fmly 6pc) Pf 21p. 4.55pc (Fmly 6½pc) Pf 1983-84 2.275p. 4pcDb 2pc. 5pcDb 3½pc
Western Dooars Tea 9pcPf 2.1p

SATURDAY DECEMBER 31
DIVIDEND & INTEREST PAYMENTS—
APV Hldgs 9¼pc1stDb 1980-85 2⅝pc. 7½pc1stDb 1986-91 3¾pc. 10pc1stDb 1990-95 5pc
Acrow 8pcLn 1902-3002 4pc. 8pcCnvLn 1992-2002 4pc
Albright Wilson 7¼pcDb 1085-90 3⅝pc. 8pcDb 1997-92 4pc
Allied Lyons 11¼pcDb 2009 £2.2783
Allied Plant Grp 10pcLn 1985-86 4.58pc
Allnatt London Props 9¼pc1stDb 1988-93 4⅝pc. 7¼pc1stDb 1990-95 3⅝pc
Anglo Scottish Inv Tst 6½pcDb 1994-99 3¼pc
Appleyard Grp 7pcPf 2.45p
Armitage (George) 5pc1stPf 2.5p
Arndale Prop Tst 8¼pcLn 1984-89 3⅝pc
Aspro-Nicholas 5¾pcPf 2.0125p
Assccd British Foods 6½pcDb 1981-99 3¼pc
Assccd Leisure 7½pcLn 1999-04 5¼pc
Assccd Telecommunications 2p
Aylesbury Brewery 4pc1stDb 2pc
BICC 7¼pcDb 1990-95 3⅝pc
BOC Grp 2.8pc2ndPf 1.4p. 3.5pc2ndPf 1.75p. 4.55pcPf 2.275p
BPM Hldgs 3½pcPf 1.925p. 6¼pcLn 5¼pc
BSG Intnl 7pc1stDb 1093-98 3½pc. 8¼pc 1stDb 1993-96 4⅛pc. 13½pcLn 1903-96 6¾pc
Babcock Intnl 7pcLn 1978-83 3½pc
Barlow Rand 7pcLn 3½pc
Barnet Con 14pc 1984-86 7pc
Barrow Hills Invs 5½pc1stDb 1087-03 3¼pc. 7¼pc1stDb 1986-91 3⅝pc
Bath Portland Grp 8¼pcDb 1095-90 3¼pc
Bell (Ar Sur) Sons 5½pcPf 1.925p. 8½pc Ln 1980-2001 4¼pc
Bestobell 6½pcDb 1999-91 3¼pc
Birmingham District Inv Tst 8pc2ndPf 2.1p
Black Edgington (Hldgs) 1pcPf 0.42739p
Blackwood Hodge 9pcLn 1985-90 4½pc
Boddingtons Brews 8¼pcLn 2000-05 4¼pc. 9½pcLn 2000-05 4¼pc
Border Brews (Wrexham) 7pc2ndDb 1090-1995 3½pc
Bowthorpe Hldgs 7pcLn 1990-95 3½pc
Braime (T. F. and J. H.) (Hldgs) 6pcPf 2.1p
Brascan 8pcAPf (apvl (Can Cert) 1.5cts
Bristol WW 4.9pc (Fmly 7pcMax) 2.45p. 3.5pc (Fmly 5pc) Max 1.75p. 3.5pc (Fmly 5pcPf) 1.75p
British Alcan Aluminium 10½pcLn 1989-1004 5¼pc
British Elec Traction 6pcPfd 2.8p. 9pcPf 2.1p
British Home Stores 5½pcDb 1080-94 2¾pc. 8½pcDb 1089-94 3¼pc. 7¼pcDb 1994-09 3⅝pc
British Mohair Spinners 8½pcDb 1981-85 5¼pc. 7½pcDb 1987-92 3¾pc
British Sugar Con Hldgs 5¾pc2ndPf 2.0125p. 11pcPf 2.275p
British Syphon Inds 7pcPf 2.48p
British Vita 10¼pcDb 1990-83 5⅛pc
British Vita 5pcPf 2.5p
Britannic Assurance 9pcPf 0.875p. 4½pcDb 1985 2¼pc. 8pc1stDb 1082-07 4½pc

Brockhouse 3.15pcPf 1.575p
Brooke Bond Grp 5¼pcDb 1980-85 2⅝pc. 8¼pcDb 1987-93 4⅛pc. 3½pcLn 3003-08 2¾pc. 7¼pcLn 2003-09 3⅝pc
Brown Bros Cpn 9pcLn 1987-92 4½pc
Brown (John) 6½pcDb 1084-99 3¼pc
Brunner Inv Tst 8pcPf 1.73p
Buckley's Brew 4½pc1stDb 2¼pc
Burmah Oil 7½pcLn 1981-86 3¾pc
Burns-Anderson 11pcLn 1983-84 5½pc
Butlin's 9½pc1stDb 1982-87 3¾pc. 7½pc 1stDb 1985-90 3¾pc. 8pc2ndDb 1992-97 4pc
Cakebread Robey 8½pcLn 1993-96 4¼pc
Cambridge Water 4pcDb 2pc. 5¼pcDb 1983-93 2⅝pc. 7pcDb 1083-85 3½pc. 7¼pcDb 1088-90 3⅝pc. 9¼pcDb 1992-97 4⅝pc
Caparo Inds 8¾pcPf 4.375p
Cape Inds 9¼pcDb 1086-89 3½pc. 7¼pc Db 1986-89 3⅝pc
Capital and Counties 8¼pcLn 1991-96 4⅛pc
Carpets Intnl 10pcDb 1992-97 5pc
Celanese Corp npv 100cts
Carrington Viyella 4.2pcDb 1084-89 2.1pc. 7pcDb 1984-89 3.5pc. 7.5pcDb 1984-89 3.75pc. 8.4pcDb 1985-84 4.2pc. 9.25pc Ln 1991-96 3.125pc. 7.75pcLn 1987-92 3.875pc. 8.1pcLn 1997-2002 4.05pc
Casket (S.) (Hldgs) 10.25pcPf 5.125p
Chamberlain Phipps 5pcPf 2.5p. 9pcLn 1993-98 4½pc
Charlwood Alliance Hldgs 8¼pc1stDb 1995-98 4⅛pc
Charnos 7pcPf 3.45p
Checkers Stores ProgPf 0.5cts
Chepstow Racecourse 3pcLn 1998 2½pc
Chesterfield Props 6¼pc1stDb 1980-95 3⅛pc
Chubb Fire Sec 8¼pcDb 1960-85 2⅝pc
Clay (Richard) 6pcPf 2.1p
Clyde Port Authority 3pcIrrd 1½pc. 4pc Irrd 2pc
Cole Grp 8¼pcDb 1988-05 4⅛pc
Collins (William) 6pcDb 1993-98 3pc
Colt Inds 35cts
Comben Grp 7¼pcLn 1992-97 3⅝pc
Commonwealth Dev Fin 5½pcDb 1983-86 2¾pc. 7¼pcDb 1984-66 3⅝pc
Cookson Grp 7pcPf 2.45p. 10¼pcLn 1998-2003 5⅛pc
Corning 7pcDb 1971-96 3½pc
Cory (Horace) 6½pcPf 6.3p
Courtaulds Knitwear 6¼pcDb 1884-89 3⅛pc
Crosby House Grp 7pcPf 2.45p
Cummins Engine 3¼pcLn 1078-94 1⅝pc
Cystic Fibrosis Research Inv Tst 6pcDb 1986 0½pc
DRG 7¼pcLn 1986-91 3⅝pc
Dalgety 6½pcDb 1979-84 3¼pc. 9½pcDb 1985-95 3¼pc. 7pcDb 1982-87 3½pc. 8¼pcDb 1988-98 4⅛pc
Debenhams 7¼pc2ndDb 1991-98 3⅝pc
Delta Grp 4½pc2ndPf 1.575p. 9pc1stPf 2.1p. 4½pcDb 1985-90 2¼pc. 7¼pcDb 1985-90 3⅝pc
Denmark (Kingdom of) 13pcLn 2005 9½pc
Derby Tst 7½pcDb 1999-2003 3¾pc
Desoutter Bros (Hldgs) 3.25pcPf 2.825p
Diploma 10½pcLn 1990-95 5¼pc
Dixon (David) Grp 7pcPf 3.5p
Dorada Hldgs 6¼pcLn 1984-89 3⅛pc
Drake and Scull Hldgs 4.9pcPf 2.45p
Drayton Premier Inv Tst 7½pcLn 1995 3¾pc. 7½pcALn 1993 3¾pc
Dufay Bitumastic 10¼pcLn 1988-2993 5⅛pc
Dufay Titanine 7½pcLn 1985 3¾pc
Dunlop Hldgs 4½pcDb 1970-85 2¼pc. 7¼pcDb 1985-90 3⅝pc
EIS Grp 5pcPf 1.75p. 4pc1stDb 2pc. 8pc Ln 1986-91 4pc
E Anglian Water 4.2pc (Fmly 6pc) Pf 1982-83 2.1pc
E Lancs Paper Grp 7½pcLn 1987-92 3¾pc
Eastbourne WW 7½pcDb 1990-93 3¾pc. 12½pcDb 2004 3.29pc. 10½pcDb 1995-1997 5¼pc
Eastern Produce (Hldgs) 10½pcLn 1992-97 5¼pc
Ecclesiastical Insurance Office 10pc2ndPf 5p
Edinburgh American Assets Tst 8pcLn 1073-98 4pc
Electric and Gen Inv 10.1pcDb 5.05pc
Empire Stores (Bradford) 9¼pcDb 1994-99 4⅝pc
English New York Tst 5pcPf 1.75p
English Electric 8½pcDb 1979-84 2¼pc. 7pcDb 1086-91 3½pc
English Natl Inv 8½pcDb 1991-96 4¼pc
English Prop Cpn 7½pc1stDb 1992-97 3¾pc. 12pcLn 2000-05 6pc
Ennia Finance (UK) 9pcLn 1985-90 4½pc
Essex Water 3.85pc (Fmly 5½pc) Pf 1981-1085 1.025pc
Estates Agency Hldgs 3½pcPf 1.75p
Ests Gen Invs 4.9pcPf 1.225p
Everards Brewery 5pcPf 1.73p
Express Dairy Prop 8¼pc1stDb 1979-94 2⅛pc. 6¼pc1stDb 1982-87 3⅛pc
Fairview Ests 15.85pc1stDb 2000-03 6.925pc
Felixstowe Dock Rly 9.8pcPf 1084 4.75p. 6½pcDb 1085-87 3¼pc
Felixstowe Tank Devs 7½pc1stDb 1987-89 3¾pc
Fenner (J. H.) (Hldgs) 5.85pcPf 1.025p
Finlay (James) 4.2pc1stPf 2.1p. 4.2pc2nd Pf 2.1p. 4.2pc2ndPf 2.5p
Fitch Lovell 6½pcPf 2.275p
Fleming American Inv Tst 3pcPf 1.75p. 5pcLn 1067-93 3½pc. 7pcLn 1099 2.07pc
Fletcher (E.) Builders 10pcLn 1086-01 5pc
Forte Hldgs 0.1pcDb 1983-86 3.05pc
Fortnum and Mason 8.5p. 7pcPf 2.48p
Foseco Minsep 4½pcPf 2.1875p
Foster (John) Son 4½pcPf 1.578p
Francis Inds 6½pcPf 1.925p
Francis Parker 7½pcLn 1085-88 3¾pc
Fulcrum Inv Tst 3.0p
Futura Hldgs 7pcPf 2.46p
GT Japan Inv Tst 8½pcLn 1967 4¼pc

Gadek (Malaysia) Berhad 10pc1stDb 1083-1988 5pc
Garnar Booth 6pcPf 2.1p
Gaskell Broadloom 5pcPf 1.75p
Gen Motors Cpn 7¾pcLn 1987-92 3⅞pc
Gibbs and Dandy 7pcPf 2.45p. 8½pcDb 1991-95 4¼pc
Giltspur 8¼pcLn 1984-89 3⅜pc
Glaxo Hldgs 7½pcLn 1995 3¾pc
Glynwed Intnl 7¼pcPf 3.7125p. 6pcLn 1983-85 3pc
Grampian Hldgs 7pcPf 3.45p. 6½pcDb 1984-89 3¼pc
GUS 5⅜pcLn 2¹¹⁄₁₆pc. 6⅝pcLn 3⁵⁄₁₆pc. 8¼pc Ln 1993-99 4⅛pc
Greene King Sons 8¼pcDb 1985-90 3⅜pc
Group Investors 5pcDb 1986-91 0½pc
Guthrie Cpn 9¼pcLn 4⅞pc
HAT Grp 8pcLn 1990-85 4pc
Haden 5½pcPf 1.925p
Hall and Ham River 5¼pcDb 1980-85 2⅝pc. 6½pcDb 1984-89 3¼pc
Hall Eng (Hldgs) 6½pcPf 2.275p
Hall-Thermotank 8pcLn 1979-84 5pc
Halma 7pcLn 1979-84 3.5pc
Halstead (James) Grp 5½pcPf 1.025p. 6½pcDb 1982-87 3¼pc
Hambros Inv Tst 5pcDb 1979-84 2½pc
Hampson Inds 8pcLn 1988-93 4pc
Haris (L.) (Harella) 5pcPf 1.75p
Harris Furnishing 6¼pc1stDb 1983-88 3⅛pc
Hartlepools Water 9pcDb 1993-04 4pc
Hawker Siddeley Grp 7¼pcDb 1987-90 3⅝pc. 8¼pcDb 1997-93 4⅛pc
Headlam Sims Coggins 5.6pcPf 2.8p
Helene of London 12pcPf 1979-86 6p
Hellenic Gen Tst 5pc2ndDb 1085-90 2½pc
Hepworth Ceramic Hldgs 7¼pcDb 1998-93 3⅝pc
Hewitt (J.) Son (Fenton) 10pcPf 5p
Hickson Intnl 8½pcLn 1989-94 4¼pc
Hill Thomson 8pcDb 1087-92 4pc
Hoechst Finance 10pcLn 1990 5pc. 10pc Ln 1990 (Rts) 5pc
Hoskins Horton 6pcPf 4.2p
Hunting Gibson 8pcPf 2.1p
IMI 5½pcLn 2001-06 3¼pc. 7¼pcLn 1088-1093 3⅝pc. 8pcLn 1995-90 4pc
Ibstock Bldg Prods 7⅜pcDb 1985-90 3¹¹⁄₁₆pc
Iceland (Govt of) 6½pc 1983-88 5¼pc. 9½pc 1093-98 (Br) 3¼pc
Imp Brewing Leisure 3¼pcDb 1982-87 1⅝pc. 4¼pcDb 1993-87 3⅛pc. 4¼pcDb 1993-87 2⅛pc. 3¼pcDb 1⅝pc
Ingersoll-Rand 6pcLn 1088-05 4pc
Investors in Industry 7¼pcADb 1089-93 3⅝pc
Islington Cpc 14pc 1985-86 7pc
Jackson (J. and H.) 8.1 7¼pcDb 1086-91 3⅝pc
Jersey Elec 6pc 2000 3pc. 9pc 3000 8pc
Jones and Shipman 4.9pcPf 0.8125p
Jones (Edward) Grp 15pcLn 1996-98 7½pc
Kennedy Smale 6pcPf 2.1p
Kennings Ests 9¼pc1stDb 1979-84 3⅝pc. 7¼pc1stDb 1084-99 3⅝pc. 8pc1stDb 1987-92 4pc
Kleinwort Benson Lonsdale 4¼pcPf 1963-1999 1.4875pc. 5pcPf 1993-98 1.75p. 8pcLn 1990-95 3pc
Ladbroke Hotels 10½pc1stDb 1994-90 5¼pc
Laing Props 8¼pcLn 2000-05 4⅛pc
Laurence Scott 9pcDb 1985-90 3pc
Law Land 6¼pc1stDb 1089-94 3⅛pc. 8½pc1stDb 1986-91 3¼pc. 7pc1stDb 1989-94 3½pc
Leda Inv Tst 7¼pcDb 1988-86 3⅝pc
Lep Group 5pcPf 1.75p
Lincoln Corpn 3pc 1½pc
London and Continental Hldgs 11½pcLn 1995-3003 5¾pc
London and Gartmore Invest Tst 9½pc Db 1991-98 4¾pc
London Manchester Secs 16pcDb 1993-93 8pc
London Assurance 4pcPf 1.4p
ML Hldgs 9¼pcDb 1999-93 4⅝pc
McKechnie Bros 10pcLn 1994-99 5pc
McLeod Russel 7pcLn 1986-91 3½pc
Manganese Bronze Hldgs 9¼pcPf 3.8875p
Manor National 13pcLn 3993 6pc
Mappin and Webb 5½pc2ndPf 1.935p. 6pcPf 2.1p
Marlborough Prop Hldgs 16pcLn 1993-2003 8pc
Marshall (Thomas) (Loxley) 7pcPf 2.45p
Marshalls Halifax 7¼pcDb 1086-91 3⅝pc
Maynards 4.2pcPf 2.1p
Mecca Leisure 5¼pc1stMtDb 1080-83 2⅝pc. 6¼pc1stDb 1985-99 3⅜pc. 7pc1st Db 1985-90 3½pc
Menzies (John) 5¼pcDb 1093-88 2⅝pc
Mersey Docks and Harbour 8¼pcDb 1⅝pc
Metal Closures Group 6pcDb 1980-85 3pc
Metal Industries 3¾pcPf 1.3125p
Michelin Tyre 8¼pcDb 1984-89 3⅝pc
Mid Kent Water 3.5pc 1.75p. 3.5pcMax 1.75p. 3.5pcPf 1.75. 3.85pcPf 1984 1.925p. 3.85pcPf 1981-83 1.925p. 3.85pc Pf 1991-93 1.925pc. 4.2pcPf 1985-87 2.1p. 4.2pcPf 1986-88 2.1p. 4.55pcPf 1983-84 2.275p. 4pcDb 2pc. 5pcDb 2½pc. 7pcDb 3½pc. 7½pcDb 3¾pc. 8pcDb 4pc. 12pcDb 6pc
Mid-Southern Water 3.85pcPf 1982-83 1.925pc. 5pcDb 2½pc. 7pcDb 1987-89 3½pc. 7pcDb 1986-89 3½pc. 7¼pcDb 1001-03 3⅝pc. 8¼pcDb 1991-95 4⅛pc. 10pcDb 1992-04 5pc
Midland Bank 7½pcLn 1085-95 3¾pc. 10¼pcLn 1993-08 5⅛pc
Midland Industries 6pcPf 2.1p
Miles Redfern 6½pcLn 1987-97 5¼pc
Milford Docks 3½pcDb 1¾pc
Millfields Invests 7pcPf 2.45p
Mitchell Cotts 3.5pc2ndPf 1.75p. 4.33pc Pf 2.17p
More O'Ferrall 10pc2ndPf 5p
Mucklow (A. and J.) Grp 7pcPf 2.45p
Murray Western Investment Trust 3¼pc Db 1⅝pc. 5½pcDb 1981-86 2¾pc
Narborough Plantations 20pcPf 1p
National Westminster Bank 9pcLn 1993 4½pc
Neill and Spencer Hldgs 8½pcDb 1900-95 4¼pc
Neill (James) Hldgs 11pcDb 1992-07 5½pc
Newman Industries 10½pcLn 1996-98 5¼pc
Newport (Isle of Wight) 4pcGas 1988 2pc
Newton Chambers 5pcPf 1.70p
North Surrey Water 3.85pcPf 1001-83 1.025pc. 5pcDb 2½pc. 7½pcDb 1991-03 3¾pc. 8½pcDb 1994-96 4¼pc
Northern Engineering Industries 3pcPf 1.5p. 5.375pcPf 2.6875p. 9.25pcPf 4.125p. 7pcLn 2000-05 3½pc. 9pcLn 1990-95 4½pc
Northern Securities Tst 5½pcPf 1.925p. 7pcDb 1987-92 3½pc
Ofrex Group 7¼pcDb 1985-90 3⅝pc
Paramount Realty Hldgs 9pcDb 4½pc
Peachey Property Corpn 5pcPf 1.75p. 6¾pcDb 3⅜pc
Pearson (S.) 5pcPf 1.75p. 7¼pcDb 3⅝pc. 8pcDb 4pc. 8½pcDb 4¼pc. 9pcDb 4½pc. 10¼pcDb 5⅛pc. 4pcLn 2pc. 6¼pcLn 4⅛pc. 9pcLn 4½pc. 10½pcPtlyLn 5¼pc. 10½pc Ln 5¼pc. 10½pcLn 2001-06 5¼pc. 13pc Ln 6½pc
Philips Finance 5¼pcLn 2⅝pc
Pitney-Bowes 5½pcLn 3¼pc
Pittard Group 9½pcPf 4.75p
Plessey 7¼pcDb 3⅝pc
Portals Hldgs 8½pcLn 4¼pc
Portsmouth Water 3.85pcPf 1.925p
Priest (Benjamin) Group 6pcDb 3pc
Precor (UK) 11¼pcDb 5⅝pc
Provident Financial Group 7pcPf 2.45p
Queens Moat Houses 10½pcLn 5¼pc
Quick (H. and J.) Grp 16pcPf 8p
RFD Group 5½pcPf 1.925p
Ramar Textiles 5pcPf 1.75p
Ranks Hovis McDougall 6⅞pcLn 3⁷⁄₁₆pc
Rank Organisation 8½pcLn 4¼pc. 6pcLn 3pc. 8pcLn 4pc
Rank Precision Industries (Hldgs.) 7¼pc Db 3⅝pc
Reeves (F. J.) 11pcDb 5½pc
Regis Property Hldgs 8¼pcLn 4⅛
Relyon Group 7¼pcLn 3⅝pc
Rex Trueform Clothing 8pcPf 0.06pc
Rightwise 12pcLn 7.430137c
River and Mercantile Tst 5pcPf 1.75p
River Plate Gen Invest Tst 4pcDb 2pc
Robertson Foods 9.5pcPf 2.75p
Robinson Bros (Ryders Green) 11pcPf 5.5p
Rockware Group 6½pcPf 2.275p
Romney Trust 4¼pcLn 2⅛pc
Rowton Hotels 10½pcDb 5¼pc
Rowntree Mackintosh 8pcPf 2.1p. 7pc 2ndPf 3.45p. 7½pc3rdPf 2.625p
Royal Worcester 7¼pcDb 3⅝pc
Rugby Portland Cement 6pcLn 3pc. 7¼pc Ln 3⅝pc
St Andrew Trust 3¼pcPf 1.8375p
St Catharine's College, Cambridge 7pcDb 3½pc
Savoy Hotel 4pc1stDb 2pc. 8¼pcDb 4⅛pc
Savoy Theatre 4pcDb 2pc
Schroders 8¼pcLn 4⅛pc
Scottish Eastern Invest Tst 4½pcPf 1.575p
Scottish National Trust 5pcDb 2½pc
Seafield Gentex 11pcLn 5.5pc
Sears Engineering Hldgs 6pcPf 2.1p
Ship Mortgage Finance 8pcDb 4pc
Shipstone (James) 4pcDb 2pc
Shrewsbury and Wem Brewery 4pcDb 2pc
Simon Engineering 4p. 9¼pcDb 4⅝pc
Singlo Group 5pcPf 2.5p
Sirdar 7½pcPf 3.838p
Slough Estates 8pcLn 4pc. 10pcLn 5pc
Spirax-Sarco Eng. 7¼pcDb 3⅝pc. 7¼pcDb 3⅝pc
Staffordshire Potteries (Hldgs.) 10pcPf 5p
Star Aluminium 7½pcDb 3¾pc
Steel Brothers Hldgs 4.2pcPf 2.1p. 3.25pc 2ndPf 2.625p. 5.6pc3rdPf 2.8p. 7pcLn 3½pc. 9pcLn 4½pc
Steetley 6¾pcDb 3⅜pc. 7pcLn 3½pc
Sterling Guarantee Trust 14pcLn 7pc
Stothert and Pitt 5pcPf 1.75p
Sun Alliance and London Insurance 6½pc Ln 3¼pc
Sunderland and South Shields Water 3.85pc Pf 1.925pc. 3½pcDb 1¾pc. 7pcDb 3½pc. 7½pcDb 3¾pc. 7¼pcDb 3⅝pc. 10pcDb 5pc. 10¼pcDb 5⅛pc
Sutton District Water 3¼pcDb 1⅝pc. 3.85pcPf 1.925pc. 5pcDb 2½pc. 7½pcDb 3¾pc. 10¼pcDb 5⅛pc
Swire (J.) 9.3pcPf 3.15p
Tarmac 7¼pcDb 95-98 3⅝pc
Tees Hartlepools Authority 3¼pcDb 1998 1⅝pc. 5½pcDb 94-99 2¾pc
Telfos 12pcLn 1991 6pc
Telefusion 8½pcPf 88-85 2.275p
Tendring Hundred Waterworks 4pcDb 2pc
Thompson Organisation 21.7pcPf 2.7125p. 7¼pcLn 87-92 3⅝pc
Throgmorton Tst 8¼pcDb 82-86 4⅛pc. 7¼pcDb 84-89 5⅛pc. 7¾pcDb 82-98 3⅞pc
Tilley Inter 4.2pcPf 60-85 2.1p
Time Products 7pcDb 85-90 3½pc
Town City Properties 6pcDb 88-95 3pc
Trafalgar House 7¼pcPf 2.5375p. 7pcDb 3½pc. 10¼pcLn 3991-06 6¼pc
Trafford Park Estates 7¾pcDb 8¼pc. 9pcDb 91-00 4½pc
Transport Development 4.2pcPf 2.1p
Unicorn Inds 8½pcLn 2000-05 4¼pc. 10pcLn 89-94 5pc
United Gas Inds 7pcDb 93-97 3½pc
UK Property 9½pcLn 3000-80 4¾pc
United Newspapers 8pcPf 2.1p
Wadham Stringer 7pcDb 79-84 3½pc. 7½pcDb 85-90 3¾pc. 7¾pcDb 87-92 3⅞pc
Walker Steel 9pcLn 1889 4½pc
Weir 8½pcDb 83-90 4¼pc. 10pcDb 88-94 5pc
Woollen Mills 8pcPf 2.1p
Williamson Tea 6pcPf 2.1p
Willis Faber 7pcPf 3.5p
Wilson (C.) 8pcPf 0.8p. 10½pc2ndPf 3.25p
Wolverhampton and Dudley Breweries 8pcPf 3.8p
Wood (A.) 7½pcPf 3.625p
York Waterworks 6pcDb 2½pc. 7pcDb 68-88 3½pc
Yorkshire Chemicals 5pcPf 1.75p. 12½pc Ln 87-02 6¼pc

SUNDAY JANUARY 1
DIVIDEND & INTEREST PAYMENTS—
AMAX 8pcDb 1/1/86 4pc
Allied Leather Inds 9pcPf 4.5p
Argus Press 7pcPf 2.45p
Associated Book Publishers 7½pcPf 2.625p
Associated Dairies 9¾pcPf 4.875p
Bestobell 5pc2ndPf 1.75p. 3½pcPf 1007 1.025p
Birmingham Corp 2½pc 1926 1¼pc. 3pc 1947 1½pc. 3pc 1952 1½pc. 5½pc 1946 1¼pc
Blackburn Corp 3½pc 1¾pc. 4pcDb 2pc
Blockleys 6pcPf 1.05p
Blue Bird Confectionery 6pcPf 3.1p
British American and General Trust 3pc Pf 1.75p
British Columbia Electric 4pcBds 2pc
British Shoe Corporation 5pcDb 2½pc
British Transport 3pc 1½pc
Cadbury Schweppes 3½pc1stPf 1.75p
Calcutta (Port of) India 5pcDbs 2½pc
Calgary and Edmonton Railway 4pcDb 2pc
Canadian Pacific 4pcDb 3pc
Central and Sherwood 10pcPf 5p
Colne Valley Water 4.3pcPf 2.1pc. 8pcPf 4pc. 5½pcDb 1¼pc. 4pcConsDb 2pc. 4pc Db 2pc. 5pcDb 3½pc. 5pcDb 1986-91 3½pc. 3pcDb 1980-85 3½pc. 10¼pcDb 5¼pc
Commercial Union Assurance 5pcPf 1.75p
Consolidated Foods Corpn 32.5 cts
Crowther (John) 5pcPf 1.75p
Drayton Consd. Trust 8.5p. 2.8pcPf 1.4p. 3.5pcPf 1.75p. 5pcPf 1.75p
Drayton Premier Invest Trust 3.5pcPf 1.75p. 5pcPf 1.73p. 4¼pcDb 2⅛pc
Dublin Port and Docks Board 5pc 2½pc
East Anglia Water 2.8pcPf 1.4p. 4.2pcPf 2.1p. 4pcDb 2pc. 5pcDb 3½pc
Electric and General Invest 4½pcDb 2¼pc. 8½pcDb 3¼pc
Electrical and Industrial Invest 4pcDb 2pc
Electricity Supply Board 8pc 5pc
Electro-Protective 7pcPf 5.5 cts
Elliott (B.) 3.15pcPf 1.575p
Ellis and Goldstein 6pcPf 2.1p
Esmark 26 cts
Ferranti 3.9pc1stPf 2.8p
First Chicago 33 cts
Fleming Overseas Invest Tst 4½pcDb 3¼pc
Fuller Smith and Turner 4.2pc1stPf 0.1p. 8pc2ndPf 3.29p
GTE 75 cts
Grand Metropolitan 3pcPf 1.75p. 6¼pcPf 2.1875p
Great Universal Stores 7pcBPf 3.45p. 4½pc CPf 1.575p. 4½pcAPf 1.575p
Greece (Kingdom of) 5pc 1861 2½pc. 5pc 1991 Bds 3½pc. 5pc 1884 3½pc. 5pc 1884 Bds 3½pc. 4pc 1887 3pc. 4pc 1887 Bds 2pc. 3pc 1898 2½pc. 3pc 1993 Bds 3½pc. 4pcLn 1902 3pc. 4pcLn 1902 Bds 2pc
Hartlepools Water 3.5pcPf 1.75p. 4.025pc Pf 2.8135p
Hulett Refineries 3½pc1stDb 1¼pc
Hull Corpn 3½pc 1¼pc
IC Industries 50 cts
India Buildings 3¼pc1stDb 88-85 1⅝pc
Inter Distillers Vintners 4½pcDb 2802-87 2¼pc
Inter Tel Tel Corp 69cts
Irish Land Bonds 4½pc 1033 2¼pc. 4pc 1934 2pc. 3½pc 1942 1¾pc. 4½pc 1953 2¼pc. 5pc 1955 0½pc. 5¼pc 1958 0½pc. 6pc 1059 3pc. 5½pc 1058 3¼pc. 7pc 1958 3½pc. 7½pc 1997 3¼pc. 9pc 1969 4pc. 8½pc 1969 4¼pc. 8¼pc 1971 4⅛pc. 12½pc 1974 6¼pc. 16pc 1975 8pc. 13pc 1976 7⅛pc. 14¼pc 1977 7⅛pc. 13¼pc 1979 6⅝pc. 16½pc 1980 6¼pc. 16¼pc 1991 8⅛pc. 18¼pc 1983 9⅛pc
Kayser Bondor 6pcPf (£1) 2.1p
Kennings Estates 5½pcPf 1.925p
Kenning Motor 5½pcPf 1.925p. 7pcPf 2.45p
Kershaw (A.) 8pcAPf 2.8p
Lee Valley Water 4pcDb 2pc. 5pcDb 2½pc. 6pcDb 85-87 3pc. 6½pc 85-86 3¼pc. 7¼pc 91-92 3⅝pc. 7½pcDb 91-93 3¾pc. 7¼pcDb 01-93 3⅝pc. 8¼pcDb 92-94 4⅛pc
Leeds Corp 2½pc 1937 1¼pc. 3pcDb 1937 1½pc. 5pc 3½pc
Liverpool Corp 2½pc 1023 1¼pc. 2¼pc 1925 1⅛pc. 3¼pc 1⅝pc
London Brick 8pcPf 2.8p
London County Free Leas Prop 5¼pc1stDb 58-89 1¾pc. 8¼pc1stDb 88-95 3⅛pc. 7¼pc1stDb 01-95 3⅝pc. 7¼pc1stDb 92-96 3⅝pc
Lyon Lyon 4.1pcPf 2.05p
McBride (O.) 10pcPf 5p
Mersey Docks Harbour 3¼pcDb 74-84 1⅝pc. 6¾pcDb 94-97 3⅜pc. 3⅜pcDb 1¹¹⁄₁₆pc
Metropolitan Water East London 3pcDb 1½pc
Montenegro 5pcLn 1999 2½pc
Murray Caledonian Inv Tst 3½pcDb 64-84 1¼pc. 4pcDb 64-84 2pc. 5pcPf 1.75p
NSS Newsagents 9pcPf 4.5p
National Electric Construction 8pcPf 1.78p
National (Irish List) 7½pcLn 81-89 3¾pc
New Brunswick Railway 4pcDb 2pc
Newcastle-Upon-Tyne 3½pc 1¾pc
Newman Inds 10pcPf 5pc
New Zealand 5¼pc 1985 2⅝pc. 7¼pc 88-02 3⅝pc
Newcastle-Upon-Tyne Corp 3½pc 1¾pc
Newman Inds 10pcPf 5pc
Norcros 14pcLn 1984 7pc
Northern Ireland Electricity 7½pc 83-85 3¾pc
Pittard 1.375p
Port London Authority 3pc 29-89 1½pc
Portugal 3pc1st 1½pc. 3pc2nd 1½pc. 3pc3rd 1½pc
Powell Duffryn 4¾pcPf 0.83125p
Raeburn Inv Tst 5pcDb 2½pc
Ranks Hovis McDougall 6pc1stPf 2.1p. 6pcAPf 2.1p. 6pcBPf 2.1p
Rank Organisation 9¼pcPf 2.1870p. 8pc 2ndPf 2.8p
Ratcliffs (Great Bridge) 6pc1stPf 2.1p. 8pc2ndPf 2.8p
Reading Corp 3pc 1062 1½pc
Reckitt Colman 5pcPf 1.75p
Republic New York Corp 38cts
Romney Tst 5pcPf 1.73p
Rowton Hotels 4½pcPf 1.573p
Salts (Saltaire) 4½pcPf 1.573p
Sears 7½pcPf 0.625p. 7pcAPf 2.45p. 12½pcPf 4.375p
Simon Engineering 6pcPf 2.1p
Simons 7½pcPf 2.625p
Smallshaw (O.) 0.5p
Smith (J.) 5½pcPf 1.925p
Sunderland Corp 3pcDb 1½pc. 4½pcDb 2¼pc
Swansea Corp 3½pc 1¾pc
TR North America Inv Tst 5½pcDb 80-83 2¾pc
TR Pacific Basin Inv Tst 4pcDb 2pc
Co Prop 8pc1stDb 83-88 3pc
Toronto Grey Bruce Railway 4pc 2883 2pc
Towles 3pcAPf 0.875p
Town Centre Secs 9pcLn 96-2000 4½pc
Truman 8pcDb 4pc. 4pcDb 1860 2pc
Ward White 3.5pcPf 40-2000 1.75p
Yates (W. E.) 7½pcPf 2.625p
Young Brewery 3½pcDb 1¾pc
Yugoslavia 5pc 1036 2½pc

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Money Market Trust Funds

Money Market Bank Accounts

Offshore & Overseas—continued

Actibonds Investment Fund SA
57 rue Notre Dame, Luxemd'rg. Tel 47971

ActiBonds In	—	$10.10	....	—

Allinnce Capital Management Intl Inc
82/65 Queen St, London EC4. 01-248 8881
Alliance International Dollar Reserves
Distribution Dec 14-10 (0.0012011 (9.30% pa)

Neat4CrDec21	—	50.50	....	—
Tec4'logyDec31	—	$21.20	....	—
Duasar Dec 21	—	$47.52	....	—

Arino Fund Managers Ltd
PO Box 204, St Helier, Jersey. 0534 72177

SterlFpint	£10.54	10.61	....	—

Bomford Brandt Guernsey Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 28541

Tec46Coms	£7.92	8.40	....	—
IntGrowt4	G16.90	18.01	....	—
PacificBasinFd	—	$20.00	....	—

Brown Shipley Tst Co (Jersey) Ltd
PO Box 503, St Helier, Jersey. 0534 74777

StlgCapital	£18.80	18.61	....	—
IntCurrency	£1.11	1.17	....	—
IntBondInc	$10.80	11.30	....	—
IntBondAc	$10.00	11.30	....	—

CAL Investments (IoM) Ltd
10 Gt Georges St Douglas IoM. 0624 20251

CAL C6C*	83.7	88.1	....	—
CAL Metals	94.8	99.8	....	—
CAL Silv**	220.9	242.1	+5.4	—
CAL Gold**	07.3	01.8	....	—
CAL Copper	—	—	....	—
CAL Alum**	92.1	96.9	−0.3	—

*Dealing days every Monday. **Dealings Daily.

CAL Investments (Bermuda) Ltd
PO Box 1033, Hamilton, Bermuda. 1809-2915-5950
Dealing days every Monday.

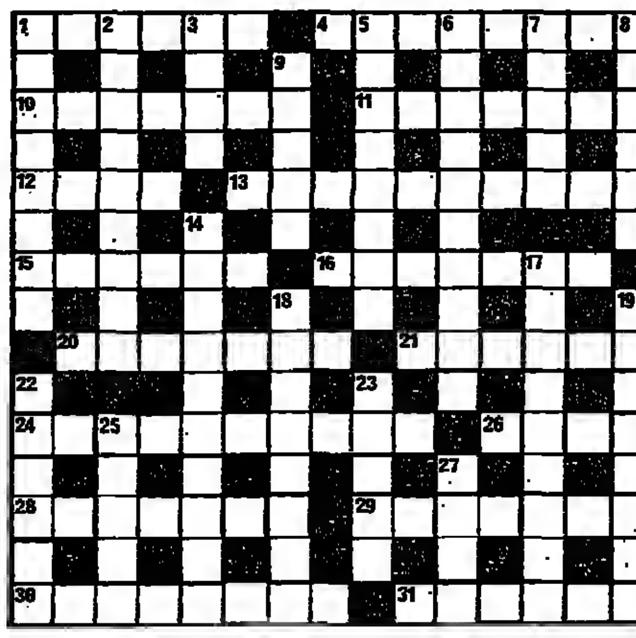
CAL C7R Fd	67.1	70.4	....	—

Capital Preservation Fund International
14 Rue Aldringen, Luxembourg 1118

Cap Pres Fd	—	$10.08	....	—

Insurances—continued

F.T. CROSSWORD PUZZLE No. 5,302



ACROSS

1 Impressive unit either side of the car firm sign (6)
4 Calm artfully created (8)
10 Still voice? (7)
11 Effective narration (7)
12 Work not for bread alone (4)
13 Fresh eggs a change from fruit? (10)
15 At last I have something for a salad (6)
16 Soldiers shout about naval lack of leadership (7)
20 Seek an engagement — or work, in plain language (7)
21 America is after a record in Olympic event (6)
24 He has to play the price of publicity (10)
26 *Left in charge?* (4)
28 For which a damp course is essential (7)
29 Girl Virginia left beside the lake (7)
30 A boy that is writing about complaints (8)
31 Surplus wealth? (6)

DOWN

1 It makes pears lie against the wall, for example (8)
2 One who only watches will make a bad sentry (9)
3 Tie up about ten and depart (4)
5 Why a note goes astray in transit (2, 3, 3)
6 The wrong place might make one unemotional (10)
7 A weapon attached to a rifle, perhaps (5)
8 Assimilate a summary (6)
9 A gem looks right in a ring (5)
14 Kind of milk no longer to be seen? (10)
17 Well, now (9)
18 Judge of knitted ties and cooked meat (8)
19 Ensure it will make you rapacious (8)
22 Something the barber may rub around? (3-3)
23 Set off for a holiday (5)
25 Watch through the night (5)
27 *But it's no aspersion on the score* (4)

The solution to the Christmas Crossword will be published with names of winners on Saturday, January 7.

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Westminster Assurance

Clerical Medical & Gen. Life Ass. Soc.

Clerical Medical Managed Funds Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass Ltd

Crescent Life Assurance Co. Ltd.

Crown Life

Crusader Insurance PLC

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

G.T. Management Ltd.

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Unit Ass. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance P.L.C.

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance—cont.

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

London & Manchester Gp.

M & G Group

Manufacturers Life Insurance Co.

MGM Assurance

NEL Pensions Ltd.

National Provident Institution

New Zealand Ins. Co. (U.K.) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Adig Investment

Albany Fund Management Limited

Andover Futures Ltd.

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Cater Allen Investment Management (C.I.)

Charterhouse Japhet

Charterhouse Japhet Currency Mngt. Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Drexel Burnham Lambert Inc.

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Ermitage Management Ltd.

Eurobond Holdings N.V.

S.G. Europe Obligations S.A.

Eurotax Investments Ltd.

Executive Life (C.I.F. Managers Ltd.)

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International

First Gen. Fund Managers (Guernsey)

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Fund Managers (I.O.M.) Ltd.

Assicurazioni GENERALI S.p.A.

Granville Management Limited

Grindlay Henderson Mngt. Ltd.

Guinness Mahon Int. Fund (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Admin. & Man. (Guernsey)

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Investment Mgmt. Intnl.

Hong Kong Fund Managers (Jersey) Ltd.

I.C. Trust Managers Ltd.

N.V. Interbeheer

International Bond Trust

Invicta Investment Management

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kleinwort Benson Group

Korea International Trust

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Guernsey

Louis Dreyfus Commodity Fund

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Minerals, Oils Res. Shrs. Fd. Inc.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Newport International Management

Normandy Trust Managers Ltd.

Northgate Unit Tst. Mgrs. (Jersey) Ltd.

Pacific Basin Fund

Perpetual UT Mngrs (Jersey) Ltd.

Phoenix International

Providence Capital International Ltd.

Quilter/Heinold Commodities

Rea Brothers (IoM) Ltd

Richmond Life Ass Ltd

Rothschild Asset Management (C.I.)

Rothschild Australia Asset Mgt Ltd

Royal Bank of Canada Funds

Royal Trust Intnl. Fd. Mngt. Ltd.

SCI/Tech S.A.

Save & Prosper International

Schroder Unit Trust Mgrs. Intl. Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scrimgeour Kemp-Gee Mngmt., Jersey

Securities Selection Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Strategic Metal Trust Mngrs. Ltd.

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Bank (Isle of Man) Ltd.

Tyndall Group

Tyndall-Guardian Mngt. Ltd.

M. & G. Tyrrell & Co. Ltd.

Union-Investment-Gesellschaft mbH

Vanbrugh Fund Mngmt. Intl. Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. (I.O.M.) Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

Westhouse Securities

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
20Aug	20F	Exch. 11¼pc 1984	100½	14.7	11.23	9.34
22N	22May	Exchequer 14pc 1984	101[illegible]	17.10	13.74	9.14
19D	19Jun	Exch. 3pc 1984	97[illegible]	14.11	3.[illegible]9	9.67
26Mar	26S	Treasury 12pc 1984	101[illegible]	22.8	11.78	9.22
22Aug	22F	Treasury 15pc 1985	105[illegible]	18.7	14.26	9.98
22S	22Mar	Exch. 12pc Cnv. '85	102[illegible]	16.8	11.72	9.86
21N	21My	Treasury 3pc 1985	94[illegible]	17.10	3.39	7.55
15Jan	15Jul	Treasury 11½pc 1985	102¼xd	9.12	11.25	9.92
3 Mar	3 Sept	Treas 8¼pcCnv '85	98[illegible]	28.7	8.89	9.78
22May	22N	Exch. 12¼pc 1985	103¼	17.10	11.86	10.28
25 Aug.	25F	Exch. 11¾pc '86	102[illegible]	19.7	11.48	10.44
—		Treas 10pc Cnv 1986	102¼	—	9.84	9.10
19N	19May	Treasury 3pc 1986	89[illegible]	13.10	3.36	0.10
19 Nv	19 My	Exch. 10½pc Cv '86	101[illegible]	13.10	10.36	9.83
12D	12Jun	Treasury 12pc '86	102[illegible]	7.11	11.66	10.62
10Ja	10Jul	Treasury 8¼pc '84-86‡‡	97½xd	5.12	0.71	9.65
14 Jan	14 Jy	Treas. 12¾pc '86 Cnv.	110¼xd	8.12	11.12	7.74
29Apr	29Oct	Exch. 14pc 1986	107[illegible]	22.9	12.98	10.69
May 21	—	Exch 2½pc 1986	85[illegible]	—	2.93	0.29
22Jul	22Jan	Exch. 13¼pc 1987	106½xd	16.12	12.44	10.72
10 Fb	10 Ag	Treas 10¼pc Cnv '87	99[illegible]	—	30.31	10.45
24 Fb	24 Aug	Exchequer 2½pc 1987	84	18.7	3.00	8.46
Oct 6	Apr 6	Exch. 10½pc 1987	99[illegible]	14	10.54	10.63
1N	1May	Funding 6½pc '85-87‡‡	91[illegible]	26.9	7.09	9.45
—		Treas 10pc 1987	98¼	—	10.18	10.59
14Ja.	14Jul	Treasury 3pc 1987	83[illegible]xd	8.12	3.60	0.51
1 May	3N	Treas 12pc 1987	103[illegible]	27.9	11.58	10.77
26Jul	26Ja	Treasury 7¼pc '85-88‡‡	93½xd	20.12	0.32	9.84
10 My	10 Nv	Exch 10½pc '88	99[illegible]	4.10	10.54	10.60
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Building Societies

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS—Continued

Public Board and Ind.

Financial

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, H.P. & LEASING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS—Continued

Hire Purchase, Leasing, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES & SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICALS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Jan	July	Johnson Grp 10p	233	14.11	6.0	5.0	1.7	7.0
Oct	June	Jourdan (T.) 10p	96	1.8	5.6	1.2	8.3	13.3
May	Dec	Kalamazoo 10p	42	31.10	3.33	1.8	11.3	7.1
November		♦Kean & Scott Hldgs.	47	5.9	hl1.0	—	2.2	—
Mar	May	Keep Trust 5p	21½	20.9	‡0.15	—	‡	—
Feb.	July	Kelsey Inds.	180	6.6	8.0	1.7	6.6	12.0
July	Nov	Kennedy Smale	88	—	♦	—	—	—
Nov.	April	Kershaw (A.) 5p	155	19.9	‡15.0	0.6	‡	(23.1)
Jan.	Aug.	Kleen-E-Ze Hldgs.	78xd	12.12	14.5	0.5	9.2	—
Jan.	Aug	L.C.P. Hlds.	77	28.11	3.6	1.5	6.7	(11.9)
Jan	July	L.DH Group	27	6.80	—	—	—	♦
Oct.	April	L.R.C. Int. 10p	111	1.8	††h2.95	2.6	3.8	12.4
July-Dec		Lamont Hldgs. 10p	38	31.10	†1.3	1.8	4.9	14.9
Dec.	May	Lanitex	42	11.80	—	—	—	♦
Mar.	Oct.	Lee Group 10p	460	4.7	17.3	0.3	5.5	63.2
Oct.	July	Lilleshall 10p	45	9.5	d1.0	—	3.2	—
Jan	Oct	Lon. & Liv. 10p	25	28.11	h2.75	3.1	15.7	2.3
Jan.	Sept.	London & Midl'd	127½	15.8	7.75	1.1	0.9	23.9
—		Do. Defd.	45½	—	—	—	—	5.6
Jul.	Dec.	Lon. & Nthn. Grp.	69½	14.11	F4.2	2.0	8.6	9.8
—		♦Lon. Priv. Health	18½	—	—	—	—	9.3
Mar	Oct	Longton Inds.	59	5.9	1.0	—	2.4	—
June	Nov	Low & Bonar 50p	138	17.10	†5.0	2.8	5.2	(7.8)
—		MCD Group	43½	—	u1.0	2.2	3.3	19.9
for MMT Computing see Electricals								
June	Dec.	M.Y. Dart. 10p	29	31.10	20.25	—	1.2	—
May	Sept.	M'c'rthy Ph. 20p	180	15.8	7.0	2.7	7.1	6.6
Oct.	May	Macfarlane Gp.	134	19.9	†3.52	2.1	3.8	16.4
July	Nov.	Maclellan 20p	39	3.10	d1.5	1.6	6.3	12.2
Aug	Mar	Macpherson (D.)	41	18.7	4.2	0.6	14.6	(14.3)
Oct.	Apr.	Magnolia Group	53	19.9	2.3	3.2	6.2	6.2
—		♦Mainmet Hldgs. 10p	65	—	—	—	—	69.4
Apr.	Oct.	Man. Ship Can. £1	142	9.80	3.5	6.8	3.6	4.3
Oct	Apr	Marley	78	15.8	†2.5	0.5	4.6	(14.7)
Feb.	Oct.	Marling Ind. 10p	40xd	12.12	†1.08	1.7	5.9	(11.8)
Dec.	Jan.	Marshall L'ay. 'A'	31	4.10	‡1.2	—	‡	—

LEISURE—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
—		♦Adam Leisure 10p	92xd	12.12	gd2.0	3.6	3.1	11.8
May	Aug.	Anglia TV 'A'	152	4.7	6.5	2.7	6.1	7.7
Sept.	Feb	Assoc. Leisure 5p	103	31.10	†h4.13	2.1	5.7	14.5
Dec.	June	Barr & W.A.T. 'A'	89	31.10	†5.0	1.9	8.0	(7.8)
Jan.	July	Black & Edgtn.	78	4.82	4—	—	—	20.6
May	Nov.	Boosey & Hawkes	153	31.10	†2.3	1.5	2.1	(38.5)
Mar.	Nov.	Campari Int. 20p	39	17.10	‡d2.73	1.2	‡	(38.1)
—		♦Central TV N/Vtg 50p	177	—	—	—	—	—
Feb.	June	Fairline Boats 10p	37xd	12.12	1.75	♦	6.8	♦
—		GRA Group 5p	48	—	—	—	—	61.7
Jan-July		Grampian TVA 10p	68	28.11	†5.6	2.9	7.6	5.5
May	Oct.	HTV Non-Vtg	197	3.10	11.0	2.2	0.0	8.3
May	Oct.	Horizon	162	5.9	†3.6	5.7	3.2	7.0
Jan	Aug	Intasun 10p	252	18.7	4.0	4.5	3.8	6.0
May		♦Intervision Video 10p	21	14.11	1.0	♦	5.0	♦
June-Dec		Juliana's Hldgs. 2p	480	17.10	b4.9	2.4	1.7	38.5
Jan-April		LWT "A"	182	14.11	11.08	♦	8.7	♦
Jan	Jul	Leisuretime Int 10p	45	19.9	g1.54	♦	5.7	♦
June	Jan.	Mngmt. Ag. M. 10p	98	6.6	0.75	1.6	12.8	7.1
Apr.	Dec.	Medminster 10p	80	31.10	4.4	1.7	7.9	10.4
October		Mtns World Grp 10p	150	5.9	b3.0	2.5	2.7	21.0
—		♦Nationwide 5p	19	—	—	—	—	—
—		♦Nimslo Int 20c	23	—	—	—	—	—
Jan.	Sept.	Norton Opax 10p	123	1.8	t2.17	4.3	2.5	0.8
July		♦Owners Abroad	28½	11.4	0.5	4.5	2.5	12.8
June	Nov	Photax (Lon.)	37	4.82	—	—	—	—
—		♦Pineapple Dance 5/10p	109	14.11	g1.5	♦	2.1	26.1
Sept.	Apr.	Pleasurama 5p	335	1.8	15.75	4.5	2.5	20.0
Feb-July		♦Radio City 'A' NV	158xd	12.12	♦4p	1.6	5.1	17.1
July	Jan	Riley Leisure 10p	142	31.10	†3.95	1.7	4.0	19.8
Apr.	Nov.	Saga Hols. 20p	107xd	12.12	d3.73	—	5.0	—
April		Samuelson Grp £1	315	21.2	12.0	♦	5.7	♦
Dec	May	Scott. TV 'A' 10p	112	17.10	7.35	2.2	9.4	6.9
—		♦SelecTV 10p	31	—	—	—	—	—
May	Nov	TSW 5p	24	31.10	1.2	2.2	7.1	9.3
—		♦TVS N/Vtg 10p	79	—	—	—	—	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS-Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 10

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar eases in thin trade

BY COLIN MILLHAM

The dollar weakened in very quiet pre-Christmas trading last week. Major traders were almost totally absent from the foreign exchanges, and market volume was probably little more than 10 per cent of normal levels. Thin markets often distort trading patterns, but the general movement of the dollar was in line with U.S. economic news.

The Federal Open Market Committee met at the beginning of the week, and although details of the meeting will not be made public for some time, it was feared that inflationary pressure from fast economic recovery would encourage the FOMC to adopt a firmer monetary stance.

This produced a firm dollar on Monday, but thereafter economic statistics and forecasts created a confusing picture on inflation. The Administration in Washington was at pains to give as encouraging a view as possible, with Mr Donald Regan, U.S. Treasury Secretary, saying that moderating economic growth and low inflation seem to point towards lower interest rates.

But probably the most significant event of the week was the Government's "flash" estimate of 4.5 per cent growth in U.S. Gross National Product for the fourth quarter, compared with market expectations of a figure in the region of 6 per cent.

Dealers pointed out that many "flash" estimates have been revised upwards in the past, but there is little doubt that this much-lower-than-expected figure, and the implication of less inflationary pressure than feared, was a major factor behind the dollar's decline.

A rise of 4 per cent in November U.S. durable goods, against expectations of an increase of about 1 per cent, tended to conflict with the GNP forecast, but was considered a less important figure. Another factor helping to moderate any weakness of the dollar was the $15bn Treasury mini refunding package, which is likely to prevent any significant softening of interest rates in the near term.

£ in New York

	Dec. 23	Previous
Spot	$1.4330-4360	$1.4310-4320
1 month	0.14-0.16 dis	0.14-0.16 dis
3 months	0.32-0.34 dis	0.31-0.34 dis
12 months	0.92-1.93 dis	0.96-1.01 dis

£ forward rates are quoted in U.S. cents discount.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4330	1.4346	1.4363	1.4383	1.4420
D-Mark	3.95	3.94	2.92	3.89	2.8290
French Franc	12.0850	12.1225	12.2150	12.3579	12.6039
Swiss Franc	3.1450	3.1325	3.1075	3.0657	2.9825
Japanese Yen	335	334.4	332.9	330.2	325.0

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0137	+2.48	+1.80	±1.5447
Danish Krone ...	2.14104	2.18932	+0.35	−9.33	±1.6425
German D-Mark	2.24184	2.25800	+9.72	+9.04	±1.0642
French Franc ...	6.87452	2.90267	+0.41	−9.27	±1.4052
Dutch Guilder ...	2.52595	2.53862	+9.50	−9.12	±1.4964
Irish Punt	0.72569	9.728103	+0.33	−9.35	±1.6699
Italian Lira	1,33.49	1369.18	−2.44	−2.44	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Dec. 23	Dec. 16		Dec. 23	Dec. 16
Bills on offer	£100m	£100m	Top accepted rate of discount	2.2643½	2.9244¾
Total of applications	£546m	£232m	Average rate of discount	2.2613½	2.2927¾
Total allocated	£199m	£199m	Average yield	9.06½	9.19¼
Minimum accepted bid	£97.78	£97.775	Amount on offer at next tender	£190m	£100m
Allotment at minimum level	69½	4¾			

THE POUND SPOT AND FORWARD

Dec 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4250-1.4360	1.4320-1.4340	0.13-0.18c dis	−1.30	0.30-0.35dis	−0.91
Canada	1.7750-1.7875	1.7830-1.7850	9.97-0.17c dis	−0.81	0.25-0.35dis	−0.67
Nethlnd.	4.42-4.46	4.44-4.46	1½-1c pm	3.37	3¼-3¼ pm	3.16
Belgium	80.20-81.00	80.60-80.70	5-15c dis	−1.49	30-40 dis	−1.73
Denmark	14.26-14.36	14.27½-14.29½	1½-2½ore dis	−1.68	3½-4½ dis	−1.12
Ireland	1.2710-1.2790	1.2730-1.2750	9.30-9.36p dis	−3.11	0.85-1.00dis	−2.90
W. Ger.	3.94-3.96½	3.94½-3.95½	1¼-¼pf pm	3.04	3¼-2¾ pm	3.04
Portugal	189.25-191.25	190.25-190.75	125-310c dis	−13.70	460-970dis	−15.01
Spain	226.00-227.50	227.00-227.26	145-185c dis	−2.72	515-580dis	−9.64
Italy	2390-2406	2399-2401	15½-17½lire dis	−8.25	46-49 dis	−7.92
Norway	11.10-11.18	11.14-11.15	3½-4½ore dis	−4.37	9½-19¼ dis	−3.57
France	12.05-12.12	12.07½-12.09½	3¼-4¼c dis	−2.72	12¼-13¼ dis	−4.30
Sweden	11.51-11.61	11.57-11.58	2¾-3¼ore dis	−3.04	8⅞-7¼ dis	−2.60
Japan	333-336	334½-335½	0.85-9.55y pm	2.15	2.15-2.00 pm	2.48
Austria	27.75-27.90	27.85-27.90	7¼-5¾gro pm	2.77	22½-17¾ pm	2.86
Switz.	3.13-3.16	3.14-3.15	1½-1c pm	4.77	4-3½ pm	4.77

Belgian rate is for convertible francs. Financial franc 81.80-81.90. Six-month forward dollar 0.50-0.55c dis, 12-month 0.95-1.05c dis.

THE DOLLAR SPOT AND FORWARD

Dec 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4250-1.4350	1.4320-1.4340	0.13-0.18c dis	−1.30	9.30-0.35dis	−9.91
Ireland†	1.1200-1.1255	1.1240-1.1250	9.19-0.16c pm	1.27	0.60-0.52 pm	1.99
Canada	1.2445-1.2465	1.2455-1.2465	0.08-0.05c pm	0.63	0.12-0.09 pm	0.34
Nethlnd.	3.1010-3.1090	3.1015-3.1035	1.22-1.12c pm	4.53	3.20-3.05 pm	4.03
Belgium	56.28-56.40	56.30-56.32	par-1½c dis	−0.16	11-15 dis	−0.92
Denmark	2.97¼-19.01¼	9.97¼-9.97¾	¼ore pm-¼ dis	—	par-½ dis	−9.19
W. Ger.	2.7550-2.7655	2.7565-2.7575	1.00-0.95pf pm	4.24	300-650 dis	−14.2
Portugal	132.70-133.35	132.70-133.00	80-200c dis	−12.63	200-650dis	−14.23
Spain	158.35-158.65	158.35-158.45	105-120c dis	−8.52	325-340 dis	−8.39
Italy	1675½-1679½	1676½-1676½	9¼-10¼lire dis	−6.99	29¾-30¼dis	−7.11
Norway	7.7800-7.8000	7.7800-7.7850	1½-2½ore dis	−3.08	5-6 dis	−2.82
France	2.4300-8.4600	2.4350-2.4400	1.50-1.70c dis	−2.27	6.80-7.30dis	−3.34
Sweden	8.0800-8.1000	8.0800-8.0850	½-1½ore dis	−1.48	2½-3½ dis	−1.48
Japan	233.40-234.19	233.65-233.75	0.71-0.66y pm	3.52	2.06-1.99 pm	3.47
Austria	19.46-19.50	19.47-19.48	7.50-6.90gro pm	4.43	19½-16½ pm	3.89
Switz.	2.1910-2.2050	2.1950-2.1960	7.50-1.13c pm	6.31	8.23-3.12 pm	5.84

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.05-57.15.

OTHER CURRENCIES

Dec. 23	£	$		£ Note Rates
Argentina Peso...	31.20-31.99	22.266-22.986	Austria	97.75-29.06
Australia Dollar	1.6975-1.5025	1.1085-1.1110	Belgium	91.40-92.20
Brazil Cruzeiro...	1,380.4-1,390.5	956-071	Denmark	14.26-14.30
Finland Markka	8.3880-8.4330	8.9710-5.9740	France	12.04-12.16
Greek Drachma	141.80-142.50	82.75-99.75	Germany	3.94-3.98
Hong Kong Dollar	11.19-11.14	7.7960-7.7030	Italy	2395-9415
Iran Rial	125.75*	99.50*	Japan	534-339
Kuwait Dinar(KD)	0.41945-0.41010	0.29285-0.29296	Netherlands	4.43-4.47
Luxembourg Fr.	90.60-80.70	59.30-56.32	Norway	11.11-11.21
Malaysia Dollar	3.3360-3.3450	9.3345-3.3305	Portugal	185-100
New Zealand Dlr.	2.1880-2.2030	1.5340-1.5365	Spain	223¾-231½
Saudi Arab. Riyal	4.8740-4.9826	3.4810-3.4930	Sweden	11.52-11.60
Singapore Dollar	3.0360-3.0450	2.1246-2.1295	Switzerland	3.14-3.17
Sth African Rand	1.7475-1.7505	1.2105-1.2215	United States	1.42-1.44
U.A.E. Dirham	5.2470-5.2560	3.9720-3.6740	Yugoslavia	202-218

* Selling rates.

CURRENCY MOVEMENTS

Dec. 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	92.5	−9.9
U.S. dollar	130.3	+19.1
Canadian dollar	92.3	+0.6
Austrian schilling	114.4	+9.6
Belgian franc	99.2	−12.1
Danish kroner	78.4	−6.1
Deutsche mark	124.3	+7.0
Swiss franc	151.9	+14.3
Guilder	114.1	+3.9
French franc	66.0	−15.6
Lira	48.9	−13.3
Yen	156.3	+12.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	9.792136	9.571421
U.S. $	8½	1.04097	0.916232
Canadian $	10.04	*	1.01716
Austria Sch	3¾	20.2803	15.9159
Belgian F	10	58.6429	46.0137
Danish Kr.	7	10.4191	9.16032
D mark	4	2.87707	9.25900
Guilder	6	3.23450	2.53962
French F	9½	9.79795	6.90267
Lira	17	1745.54	1360.19
Yen	5	243.512	191.040
Norwgn Kr.	8	9.11569	6.35777
Spanish Pta	—	164.226	120.443
Swedish Kr	9½	9.42169	6.60694
Swiss Fr	4	2.29148	1.79684
Greek Dr'ch	20½	193.567	81.2847

*C$/SDR rate for Dec. 22: 1.29758

EXCHANGE CROSS RATES

Dec. 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.433	3.850	335.0	12.085	3.145	4.446	2400.	1.784	80.65
U.S. Dollar	0.698	1.	2.767	333.7	8.438	2.196	3.103	1676.	1.246	56.31
Deutschemark	0.263	0.363	1.	84.81	3.058	0.799	1.125	607.6	0.452	20.42
Japanese Yen 1,000	2.996	4.276	11.78	1000.	36.07	9.388	13.27	7164.	6.325	240.7
French Franc 10	0.927	1.196	3.269	277.2	10.	2.608	3.688	1986.	1.476	66.74
Swiss Franc	0.319	0.468	1.256	106.5	3.843	1.	1.413	763.1	0.567	25.64
Dutch Guilder	0.225	0.322	0.889	75.37	2.719	0.708	1.	532.9	0.401	18.14
Italian Lira 1,000	0.417	0.627	1.646	139.6	6.035	1.310	1.853	1000	0.743	33.60
Canadian Dollar	0.561	0.803	2.214	187.8	6.774	1.763	2.492	1345.	1.	45.21
Belgian Franc 100	1.240	1.777	4.899	415.4	14.98	3.900	5.511	2976.	2.212	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9¼-0	0-0¼	9¾-9¼	5⅞-5⅛	⅞-1⅛	6⅛-5⅞	12⅜-12⅝	16-17	10¼-10¾	10¼-10¾	6¾-7	11⅜-12⅛
7 day's notice	9-0⅛	2⅛-9⅜	9¾-8¼	6⅛-6⅛	10⅝-10⅞	7⅜-7⅝	12⅜-12⅝	16-19¼	10⅛-11	10¼-10¾	7¼-7½	11⅞-12⅜
Month	0⅛-9¼	10-10¼	9⅜-9⅝	5⅞-6⅛	4½-4⅝	6⅛-6¼	13⅛-12¾	16¼-17¼	10¼-10¾	10½-10¾	6⅝-6¾	11⅛-11⅝
Three months	9⅜-9⅛	10-10¼	8⅝-0⅛	6⅛-6¼	4⅛-4⅛	6⅛-5⅛	13¾-14	17⅛-17⅝	11-11½	10⅛-11⅛	6⅛-6⅛	11¼-11¼
Six months	8⅝-9¾	10¼-10½	9⅛-10⅛	6¼-6⅜	4¼-4⅜	6¼-6⅜	14¼-14½	17¾-18¼	11⅛-11⅝	11⅛-11⅜	6½-6⅝	11-11⅛
One Year	8⅛-10	10⅜-10⅝	10⅛-10⅛	6⅝-6½	4⅛-4⅛	6⅛-6⅛	14⅝-14⅝	17⅞-18½	11⅛-11⅝	11⅛-11⅜	6⅛-6⅛	11-11½

Asian $ (closing rates in Singapore): Short-term — per cent; seven days 11⅞-11⅞ per cent; one month 10⅝-10¾ per cent; three months 10⅝-10¾ per cent; six months 10¾-10⅞ per cent; one year 10⅞-10⅞ per cent. Long-term Eurodollars two years 11⅛-11⅝ per cent; three years 11¾-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

In the table below the London International Financial Futures Exchange prices are for December 23. Prices quoted for Chicago are as of December 27.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	89.82	89.83	89.21	89.78
June	89.51	89.51	89.49	89.46
Sept	89.25	89.27	89.25	89.22
Dec	89.00	—	—	88.97
March	88.80	—	—	88.77

Volume 337 (1,454)
Previous day's open int — (8,882)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.50	90.52	90.43	90.41
June	90.36	90.37	90.32	90.28
Sept	90.12	—	—	90.12
Dec	90.02	—	—	90.02

Volume 608 (605)
Previous day's open int — (5,073)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	110-18	110-21	110-15	110-10
March	109-20	109-20	109-13	109-08
June	109-05	—	—	108-25
Sept	108-24	—	—	108-10
Dec	108-11	—	—	107-27

Volume 677 (1,552)
Previous day's open int — (3,349)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of March contract) 36 to 92 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4320	—	—	1.4298
June	1.4337	—	—	1.4315
Sept	1.4367	—	—	1.4345

Volume nil (126)
Previous day's open int — (2,274)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3649	0.3649	0.3649	0.3644
June	0.3682	—	—	0.3677
Sept	—	—	—	—

Volume 10 (29)
Previous day's open int — (265)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4596	—	—	0.4595
June	0.4665	—	—	0.4665
Sept	—	—	—	—

Volume nil (nil)
Previous day's open int — (85)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4307	0.4309	0.4302	0.4308
June	0.4347	—	—	0.4348
Sept	—	—	—	—

Volume 124 (37)
Previous day's open int — (217)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-05	70-08	70-03	70-00
June	69-20	69-22	69-17	69-14
Sept	69-04	69-06	69-02	68-30
Dec	68-20	68-23	68-20	66-18
March	68-07	68-09	68-07	68-03
June	67-28	67-30	67-28	67-24
Sept	67-18	67-20	67-16	67-14
Dec	67-09	67-11	67-09	67-05
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.76	90.77	90.75	90.71
June	—	90.47	90.42	90.38
Sept	—	90.20	90.16	90.11
Dec	89.12	89.12	—	89.11
March	89.73	89.74	89.73	89.66
June	89.52	89.52	89.52	89.44
Sept	89.30	89.30	89.30	89.27
Dec	89.12	89.12	—	89.11

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.26	90.27	90.26	90.26
March	90.02	90.06	90.00	89.96
June	89.63	89.65	89.61	89.56
Sept	—	89.32	89.30	89.25
Dec	—	—	—	—
March	—	—	—	—
Sept	77.60	—	—	77.40

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.58	89.63	89.55	89.51
June	89.25	89.26	89.23	89.17
Sept	88.97	88.98	88.96	88.90
Dec	88.74	88.74	88.70	88.66
March	88.46	88.45	—	88.41

STERLING (IMM) $ per £

	Latest	High	Low	Prev
March	—	1.4380	1.4340	1.4400
June	1.4395	1.4395	1.4376	1.4476
Sept	—	—	—	1.4450
Dec	—	—	—	1.4475
March	—	—	—	1.4500

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	68-19	68-23	68-17	68-13
June	67-19	67-21	67-16	67-15
Sept	66-21	66-23	66-18	66-18
Dec	65-28	65-29	65-25	65-25
March	—	—	—	—
June	64-22	64-22	64-20	64-19
Sept	64-08	64-09	64-05	64-05
Dec	63-28	—	63-26	63-25
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

WEEKLY CHANGE IN WORLD INTEREST RATES

	Dec. 23	change		Dec. 23	change
LONDON			NEW YORK		
Base rates	9	Unch'd	Prime rates	11	Unch'd
7 Day Interbank	9⅛	+⅛	Federal funds	9⅞	+⅛
3 mth Interbank	9⅝	−⅛	3 Mth. Treasury Bills	8.90	+0.76
Treasury Bill Tender	8.8613	−0.0384	6 Mth. Treasury Bills	9.11	−0.13
Band 1 Bills	9	Unch'd	3 Mth. CD	9.60	−0.8
Band 2 Bills	9	Unch'd	FRANKFURT		
Band 3 Bills	9	Unch'd	Lombard	5.50	Unch'd
3 Mth. Treasury Bills	8⅞	−⅛	One Mth. Interbank	6.626	−0.05
1 Mth. Bank Bills	9	Unch'd	Three month	6.40	−0.075
3 Mth. Bank Bills	8⅞	−⅛	PARIS		
TOKYO			Intervention Rate	12	Unch'd
One month Bills	6.46875	Unch'd	One Mth. Interbank	12.1875	−0.0625
Three month Bills	6.26125	Unch'd	Three month	12.1675	−0.0625
BRUSSELS			MILAN		
One month	10⅛	+⅛	One month	17⅜	Unch'd
Three month	11	+⅛	Three month	17⅝	Unch'd
AMSTERDAM			DUBLIN		
One month	5⅞	+⅛	One month	12⅛	+⅛
Three month	6⅛	−⅛	Three month	12⅛	+⅛

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 8⅞.

MONEY MARKETS

Confidence improves in London

Interest rates declined on the London money market last week as a result of the much better performance by sterling on the foreign exchanges. The movement was more noticeable at the longer end, where 12-month money fell below 10 per cent again, a drop of over ½ per cent, while three-month funds eased by about ¼ per cent.

The pound showed little change against most major currencies, but the market has been most concerned about sterling's fall to record lows against the dollar, and this was where the pound showed its greatest improvement last week.

A general weakening of the dollar coincided with some better news for the British economy. The November trade figures were particularly encouraging, showing a current account surplus of £317m, compared with a deficit of £219m in October.

This left a current account surplus for the first 11 months of 1983 of £1.3bn, more than twice the Treasury forecast for the whole year.

Non-oil exports have been rising steadily recently, but the markets are still well aware of the importance of North Sea oil revenues, and this was another factor supporting the pound last week, following reports that major oil companies are prepared to support unchanged North Sea prices in the first quarter of 1984.

These factors created more confident conditions in London, while the day-to-day credit position was rather variable, but caused no major problems for the Bank of England.

In New York Federal funds were firm at around 9⅞ per cent at the beginning of the week, but later eased back to around 9¼ to 9½ per cent, following several days of intervention by the Federal Reserve, adding reserves to the New York banking system.

In Europe, Frankfurt rates were little changed, but Paris rates were slightly easier. The Bank of France added FFr 15bn in market liquidity on Tuesday by buying bills at an unchanged rate of 12 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Dec. 23	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11¾	¾-1⅛	6⅛-5⅝	6.59376	17½-17⅛	9.15	12-19¼
One month	6.45-6.60	12⅛-19¼	4⅜-4⅛	6⅞-6	6.53126	17⅜-17¾	10⅝-10⅜	19-12¼
Two months	6.30-6.50	12⅛-12¼	—	—	—	—	—	12-12¼
Three months	6.30-6.50	12⅛-12¼	4⅛-4⅛	6⅛-6¼	6.28126	17⅝-18	10⅞-11⅛	12⅝-12⅝
Six months	6.50-6.50	12⅛-12⅛	—	6¼-6⅝	—	—	10⅞-11¼	12⅜-19⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	6⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 23 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	1-9¼	9-9¼	9¼	1-9	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8⅞-9⅛	9¼-9⅛	9¼-9⅛	—	—	—	—	—	—
One month	8⅞-9⅛	9⅛-9⅛	9¼-9⅛	9⅛	9	8⅞	9	8½-8⅞	8⅞	9⅛
Two months	0⅛-9¼	9⅛-9¼	9¼-9⅛	9¼	9⅛	8⅞	—	8⅞-8⅞	—	9⅛
Three months	0⅛-0⅛	9⅛-9⅛	9⅛	9⅛	9⅛	8⅞	—	8⅞-8⅞	8⅞	9⅛
Six months	9⅛-9⅛	9⅛-9⅛	9⅛	9⅛	[illegible]	—	—	9⅛-9⅛	—	9⅛
Nine months	9⅝-9⅛	9⅛-9⅛	—	—	—	—	—	—	—	—
One year	9⅛-8⅞	9⅛-10	9⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¾-8⅝	—	9⅛	10.05-10.15	9⅛-9⅛	9⅛-9⅛
Two months	9¾-9⅛	—	9⅛	10.10-10.20	9⅛-9⅛	—
Three months	8¾-8½	—	9⅛	9.90-10.0	9⅛-9⅛	9⅛-9⅛
Six months	0⅝-2⅝	—	9⅛	9.85-10.05	9⅛-9⅛	—
Nine months	9⅞-9⅝	—	9⅞	10.15-10.25	—	—
One year	9⅞-9⅝	10⅛	10	10.25-10.4	9⅛-9⅞	9⅛-10⅛
Two years	—	10⅛	—	—	—	—
Three years	—	10⅛	—	—	—	—
Four years	—	11¼	—	—	—	—
Five years	—	11¼	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 6 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 8⅞ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven day's notice 5⅞ per cent. Treasury Bills: Average tender rate of discount 8.8613 per cent. Certificates of Tax Deposit (Series 8). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9⅞ per cent; three-six months 9⅞ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10⅛
Fed funds	9⅞
Fed funds at Intervention	(—)

Treasury Bills

One month	8.30
Two month	8.50
Three month	8.90
Six month	9.11
One year	9.20

Treasury Bonds

Two year	100⅝
Three year	99⅞
Four year	99⅞
Five year	99⅞
Seven year	99⅞
10 year	100⅞
30 year	100⅞

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
11.00 a.m. December 23)

3 months U.S. dollars

bid 10 1/5	offer 10 1/4

6 months U.S. Dollars

bid 10 1/4	offer 10 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on December 23 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan — Afghani	99.00
Albania — Lek	10.20
Algeria — Dinar	(A) 7.0945
Andorra — French Franc	18.085
Andorra — Spanish Peseta	227.126
Angola — Kwanza	(cm) 45.4116
Antigua — E. Caribbean $	3.87
Argentina — New Peso	31.95
Australia — Australian $	1.5900
Austria — Schilling	27.875
Azores — Portug'se Escudo	180.90
Bahamas — Ba. Dollar	1.4330
Bahrain — Dinar	0.539
Balearic Isles — Spa. Peseta	227.125
Bangladesh — Taka	35.40
Barbados — Barbados $	2.8650
Belgium — B. Franc	(cm) 80.55 / (fn) 81.95
Belize — B $	2.8660
Benin — C.F.A. Franc	604.25
Bermuda — Bda $	1.4330
Bhutan — Indian Rupee	15.00
Bolivia — Bolivian Peso	(o) 716.50
Botswana — Pula	1.6525
Brazil — Cruzeiro	1,384.95
Brit. Virgin Isles — U.S. $	1.4330
Brunei — Brunei $	3.0400
Bulgaria — Lev	1.4709
Burma — Kyat	11.9145
Burundi — Burundi Franc	167.26
Cameroon — C.F.A. Franc	604.25
Canada — Canadian $	1.7840
Canary Islands — Spanish Peseta	227.125
Cape Verde Is. — Cape V. Escudo	104.19
Cayman Islands — Cay. Is. $	1.1941
Cent. Afr. Republic — C.F.A. Franc	604.25
Chad — C.F.A. Franc	604.25
Chile — Chilean Peso	125.88
China — Renminbi Yuan	2.9379
Colombia — Col. Peso	125.91
Comoro Islands — C.F.A. Franc	604.25
Congo (Brazzaville) — C.F.A. Franc	604.25
Costa Rica — Colon	[illegible]
Cuba — Cuban Peso	1.2470
Cyprus — Cyprus £	0.8600
Czechoslovakia — Koruna	[illegible]
Denmark — Danish Kroner	14.285
Djibouti — Djibouti Franc	250
Dominica — E. Caribbean $	3.87
Dominican Republic — Dominican Peso	(o) 1.4330
Ecuador — Sucre	[illegible]
Egypt — Egyptian £	[illegible]
Equatorial Guinea — Ekuele	454.25
Ethiopia — Ethiopian Birr	2.9000
Falkland Islands — Falkland Is. £	1.0
Faroe Islands — Danish Kroner	14.285
Fiji Islands — Fiji $	1.4965
Finland — Markka	8.4110
France — French Franc	12.090
French C'ty in Af. — C.F.A. Franc	604.25
French Guiana — Local Franc	12.085
French Pacific Is. — C.F.P. Franc	212
Gabon — C.F.A. Franc	604.25
Gambia — Dalasi	4.00
Germany (East) — Ostmark	3.95
Germany (West) — Deutsche Mark	3.95
Ghana — Cedi	42.010
Gibraltar — Gibraltar £	1.0
Greece — Drachma	142.20
Greenland — Danish Kroner	14.285
Grenada — E. Caribbean $	3.87
Guadaloupe — Local Franc	18.085
Guam — U.S. $	1.4330
Guatemala — Quetzal	1.4330
Guinea — Syli	[illegible]
Guinea-Bissau — Peso	[illegible]
Guyana — Guyanese $	4.2915
Haiti — Gourde	7.1650
Honduras — Lempira	2.87
Hong Kong — H.K. $	11.15
Hungary — Forint	64.17
Iceland — I. Krona	41.13
India — Ind. Rupee	15.00
Indonesia — Rupiah	1,424.40
Iran — Rial	125.75 (sg)
Iraq — Iraqi Dinar	0.4440
Irish Republic — Irish £	1.2740
Israel — Shekel	153.40
Italy — Lira	2,400.0
Ivory Coast — C.F.A. Franc	604.25
Jamaica — Jamaica Dollar	4.50
Japan — Yen	335.0
Jordan — Jordanian Dinar	0.5336
Kampuchea — Riel	N/A
Kenya — Kenya Shilling	19.65
Kiribati — Australian $	1.5900
Korea (Nth) — Won	1.3045
Korea (Sth) — Won	1,142.0
Kuwait — Kuwaiti Dinar	0.41875
Lao — New Kip	50.15
Lebanon — Lebanese £	7.7950
Lesotho — Maloti	1.7490
Liberia — Liberian $	1.4330
Libya — Libyan Dinar	0.4242
Liechtenstein — Swiss Franc	3.145
Luxembourg — Lux Franc	80.65
Macao — Pataca	11.60
Madeira — Portug'se Escudo	190.50
Malagasy Republic — MG Franc	701.10
Malawi — Kwacha	1.85
Malaysia — Ringgit	3.3400
Maldive Islands — Rufiyaa	10.80
Mali Republic — Mali Franc	1,208.5
Malta — Maltese £	0.639
Martinique — Local Franc	12.085
Mauritania — Ouguiya	80.05
Mauritius — Maur. Rupee	18.15
Mexico — Mexican Peso	(f) 235.95 / 204.20
Miquelon — Local Franc	12.085
Monaco — French Franc	12.085
Mongolia — Tugrik	4.65
Montserrat — E. Caribbean $	3.87
Morocco — Dirham	11.30(sg)
Mozambique — Metical	(A) 60.40
Namibia — S.A. Rand	1.7490
Nauru — Australian Dollar	1.5900
Nepal — Nepalese Rupee	21.22
Netherlands — Guilder	4.445
Netherland Antilles — Antillian Guilder	2.5550
New Zealand — N.Z. Dollar	2.2030
Nicaragua — Cordoba	14.30
Niger Republic — C.F.A. Franc	604.25
Nigeria — Naira	1.005996(sg)
Norway — Norwegian Krone	11.145
Oman Sultanate of — Rial Omani	0.4945
Pakistan — Pakistan Rupee	19.00
Panama — Balboa	1.4330
Papua N. Guinea — Kina	1.2489
Paraguay — Guarani	(o) 180.50 / (o) 238.80
Peru — Sol	(exc)(A) 3,187.60
Philippines — Philippine Peso	19.70
Pitcairn Islands — £ Sterling	—
Pitcairn Islands — New Zealand $	2.2005
Poland — Zloty	140.38
Portugal — Portug'se Escudo	190.50
Puerto Rico — U.S. $	1.4330
Qatar — Qatari Ryal	5.2065
Reunion Island — French Franc	12.085
Romania — Leu	(cm) 6.84 / (nc) 20.66
Rwanda — Rwanda Franc	143.195
St. Christopher — E. Caribbean $	3.87
St. Helena — St. Helena £	1.0
St. Lucia — E. Caribbean $	3.87
St. Pierre — Local Franc	12.085
St. Vincent — E. Caribbean $	3.87
Salvador El — Colon	3.58
Samoa American — U.S. $	1.4330
San Marino — Italian Lira	2,400
Sao Tome & Prin. — Dobra	62.45
Saudi Arabia — Saudi Ryal	5.0025
Senegal — C.F.A. Franc	604.25
Seychelles — S. Rupee	10.0458
Sierra Leone — Leone	(o) 3.5
Singapore — Singapore $	3.0400
Solomon Islands — Solomon Is. $	1.7423
Somali Republic — Somali Shilling	22.75
South Africa — Rand	1.7490
Spain — Peseta	227.125
Spanish ports in North Africa — Peseta	227.125
Sri Lanka — S.L. Rupee	36.45
Sudan Republic — Sudan £	(A) 1.8545
Surinam — S. Guilder	2.5650
Swaziland — Lilangeni	1.7490
Sweden — S. Krona	11.5650
Switzerland — Swiss Franc	3.145
Syria — Syrian £	(A) 7.10
Taiwan — New Taiwan $	57.70
Tanzania — Tan. Shilling	17.75(sg)
Thailand — Baht	32.97
Togo Republic — C.F.A. Franc	604.25
Tonga Islands — Pa'anga	1.5900
Trinidad — Trinidad & Tob. $	3.4395
Tunisia — Tunisian Dinar	1.0960
Turkey — Turkish Lira	399.80
Turks & Caicos — U.S. $	1.4330
Tuvalu — Australian $	1.5900
Uganda — Uganda Shilling	(A) 334.25
United States — U.S. Dollar	1.4330
Uruguay — Uruguay Peso	59.95
Utd. Arab Emirates — U.A.E. Dirham	5.2540
U.S.S.R. — Rouble	1.1470
Upper Volta — C.F.A. Franc	604.25
Vanuatu — Vatu	140.50
Vatican — Italian Lira	2,400
Venezuela — Bolivar	(o) 14.33 / (o) 6.4445
Vietnam — Dong	(A) 14.55
Virgin Islands U.S. — U.S. Dollar	1.4330
Western Samoa — Samoan Tala	(A) 2.2360
Yemen (Nth) — Ryal	8.61 (sg)
Yemen (Sth) — S. Yemen Dinar	(A) 0.489
Yugoslavia — New Y Dinar	179.4969
Zaire Republic — Zaire	43.6340
Zambia — Kwacha	2.05
Zimbabwe — Zimbabwe $	1.59

* Rate is the transfer market (controlled). †† Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (I) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (3) Non-essential imports and private sector applicants. (4) Preferential rate for public sector debt and essential imports. (5) Government-controlled for non-essential imports. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate. (8) The rate has ...... week should have read 61.52.